

**CITY OF
SPRINGFIELD, MO
2007 - 2008
ADOPTED BUDGET**





Public Works Operations Building



Jordan Valley Car Park



Springfield Greene Co Parks Dept

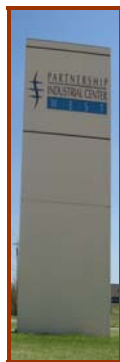


Park Central Square Fountain



Partnership Industrial Park

East



West



Trafficway Street I



Busch Municipal Building



N Franklin Street Recycling Station



O'Reilly-Tefft Gym



MISSION

**The people of our community are the only
reason we are here.**

Therefore,

**We are committed to
WORKING WITH THE COMMUNITY
to provide ethical and responsible local government
so that everyone can enjoy the benefits
of living and working in Springfield.**

We will achieve this through:

Integrity and Pride of Service
in everything we say and do, and with dedication to quality.

Cooperating and Communication
with one another and with citizens to ensure open government,
and open management with no surprises.

Continuous Improvement of Services
through cost-effective utilization of
people, materials, equipment and technology.

Leadership and Knowledge
through staff training and development.

Innovation
in how we meet present and future needs of our city.





“Working with the Community”

CITY OF SPRINGFIELD, MISSOURI

ANNUAL OPERATING BUDGET

JULY 1, 2007 - JUNE 30, 2008

PREPARED BY THE DEPARTMENT OF FINANCE

Mary Mannix, Director of Finance
Pamela Hillenburg, Financial Analyst
Jennifer Severson, Financial Analyst
Glenda Hudson, Financial Analyst
Terry Moore, Financial Analyst



“Working with the Community”



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Springfield
Missouri**

For the Fiscal Year Beginning

July 1, 2006

President

Executive Director



“Working with the Community”

MUNICIPAL OFFICIALS

MAYOR

Thomas J. Carlson

CITY COUNCIL

<i>Denny Whayne</i>	<i>Zone 1</i>
<i>Cindy Rushefsky</i>	<i>Zone 2</i>
<i>Ralph K. Manley</i>	<i>Zone 3</i>
<i>John Wylie</i>	<i>Zone 4</i>
<i>Mary Collette</i>	<i>General (A)</i>
<i>Gary Deaver</i>	<i>General (B)</i>
<i>Doug Burlison</i>	<i>General (C)</i>
<i>Dan Chiles</i>	<i>General (D)</i>

CITY OFFICIALS

<i>Bob Cumley</i>	<i>City Manager</i>
<i>Evelyn Honea</i>	<i>Assistant City Manager</i>
<i>Dan Wichmer</i>	<i>City Attorney</i>
<i>Brenda Cirtin</i>	<i>City Clerk</i>
<i>Marc Thornsberry</i>	<i>Director of Public Works</i>
<i>Kevin Gipson</i>	<i>Director of Public Health and Welfare</i>
<i>Mary Mannix</i>	<i>Director of Finance</i>
<i>Lynn S. Rowe</i>	<i>Chief of Police</i>
<i>Dan Whisler</i>	<i>Fire Chief</i>
<i>Jodie Adams</i>	<i>Director of Parks and Recreation</i>
<i>Sheila Maerz</i>	<i>Director of Human Resources</i>
<i>Clay Goddard</i>	<i>Director of Information Systems</i>
<i>Ralph Rognstad</i>	<i>Director of Planning and Development</i>
<i>Louise Whall</i>	<i>Director of Public Information</i>
<i>Gary Cyr</i>	<i>Director of Aviation</i>
<i>William Dowling</i>	<i>Director of Workforce Development</i>
<i>Nick Heatherly</i>	<i>Director of Building Development</i>
<i>Todd Thornhill</i>	<i>Chief Municipal Judge</i>
<i>Jerry Berger</i>	<i>Director of Art Museum</i>
<i>Becky Jungmann</i>	<i>Director of Emergency Communications</i>



“Working with the Community”

CITY OF SPRINGFIELD, MISSOURI ANNUAL OPERATING BUDGET 2007-2008

TABLE OF CONTENTS

	<u>Page</u>
Budget Message	1-4
City Organizational Chart.....	5
Departmental Summaries	6-7
Community Profile	9-13
Budget Highlights -	
A Guide To Using This Document.....	17-18
All Fund Groups - Revenue Comparison from previous year.....	21
All Fund Groups - Appropriation Comparison from previous year	23
Fund Structure & Relationship between Fund Types.....	25-27
Schedule of Revenues.....	29-31
Revenue Projections.....	32-35
Summary of Expenditures and Appropriations.....	37-39
Schedule of Projected Changes in Fund Balance.....	40-41
Financial Policies.....	43-48
Debt Service Policy	49-54
Debt Service Requirements.....	56-57
Positions by Fund.....	61
Budget Process	65
Budget Preparation Schedule	66
Budget Policies	67
Working With the Community Action Plan	68
Overview of General Operating Budget	69
General Operating Funds - Revenue Comparison from previous year.....	71
General Operating Funds - Appropriation Comparison from previous year.....	73

Performance Measurements and Benchmarks –

General Fund Sales Tax Receipts.....	79
Total Sales Tax Rate	81
Sales Tax Revenue per Capita	83
Total Municipal Tax Revenue per Capita	85
Effective Total Property Tax Rate per \$100 Actual Value	87
Total Property Tax Revenue per Capita	89
General Governmental Expenditures per Capita.....	91
Ratio of Unreserved General Fund Balance to General Fund Expenditure	93
Budgeted FTE's per 1,000 Population - comparisons by Year.....	97
Budgeted FTE's per 1,000 Population - comparisons by City.....	99
Police Protection.....	103-105
Fire Protection.....	107-111
Worker's Compensation	113
Ratio of G.O. Bond Debt Service to General Governmental Expenditures	119
Net General Obligation Bonded Debt per Capita.....	121

Departmental Summaries -

General Operating Funds	125-243
Building Development Services	126-130
City Attorney	132-137
City Clerk	138-141
City Manager.....	142-144
Emergency Communications	146-149
Finance	150-153
Fire	154-160
Human Resources	162-165
Information Systems.....	166-170
Mayor and City Council.....	172
Municipal Court.....	174-177
Non-Departmental - Mayor's Commission on Human Rights	178-180
Non-Departmental - Mayor's Commission on Children	182
Non-Departmental - Unallocated Expenditures.....	184-185
Non-Departmental - Ozark Greenways	186-187
Non-Departmental - Watershed Committee of the Ozarks	188
Planning and Development	190-197
Police	198-206
Public Health Services	208-212
Public Information Office	214-219
Public Parks.....	220-227
Public Works	228-234
Public Works Transportation.....	236-243

Grant and Special Revenue Funds	245-267
Art Museum.....	246-249
Convention and Visitors Bureau	250
Tourism Tax	251
Road and Bridge Maintenance	252
Community Development Grants.....	253
Home Investment Partnership Program	254
Planning and Development Grants	255
Police Special Revenue	256
Police Grants/Traffic Safety Alliance of the Ozarks	258-259
Public Health Grants	260
WIC Program.....	261
Workforce Development	262-266
Miscellaneous Special Revenue.....	267
 Capital Projects Funds.....	 269-279
Summary of Expenditures & Appropriations.....	271
Adopted CIP Strategies	272
Capital Project Funds – Project Overview	273-279
 Enterprise Funds.....	 281-296
Airport	282-286
Golf.....	288-289
Sanitary Sewer System	290-293
Solid Waste	294-296
 Internal Service Funds.....	 297-304
Printshop.....	299
Self-Insurance Fund	300-301
Service Center	302-304
 Glossary	
Glossary	305-308



“Working with the Community”



TO: The Mayor and Members of City Council

RE: 2007/2008 Operating Budget

DATE: July 10, 2007

In accordance with the City Charter, the 2007/2008 operating budget is presented for your consideration. The budget reflects a continuation of the existing level of services to the citizens of Springfield, while maintaining the current tax levies. The budget emphasizes the City Council's commitment to public safety, transportation and economic development. These priorities and budget policies are used to develop a budget that delivers a consistent level of services and allows the City to maintain a stable financial position and equitable tax structure.

Economic Outlook

The Springfield metro area continues to experience steady economic growth, and is the fastest growing metro area in the state. Job growth in Springfield is projected to grow 19% through 2012. The City continues to enjoy the economic impact of 2 major hospitals and 9 colleges and universities located in the City. Jobs in health care and higher education make up 15% of the workforce. These jobs tend to be very stable and pay higher than average wages. The presence of 46,000 students in the metro area contributes to the economic stability of the sales tax base experienced by Springfield. Expansion continues in the center city area, which has been a major area of focus of City Council over the last five years. Two new projects are under development that will add approximately 100,000 square feet of retail space to the center city area. The Springfield Branson National Airport was ranked 4th in the nation for passenger growth. To accommodate this growth, construction started in 2006 on a Mid Field Terminal project. This \$116 million project will modernize the Airport, provide space for additional gates, and allow room for expansion.

Revenue Outlook

The local economy continues to grow, and the outlook for the next fiscal year is optimistic. Springfield continues to serve as a strong regional economic center. For the fiscal year ending June 30, 2006 sales tax revenue increased 7.7%. This above average growth was attributable to a strong economy and extremely low unemployment. For the fiscal year ending June 30, 2007 sales tax is expected to increase 3.5%. Projections for the 2008 fiscal year are 3.5%. The increase in sales and use tax is expected to generate an additional \$2.3 million of revenue. The City enjoys a stable yet growing assessed value for property tax. Overall assessed value is projected to increase 2% in 2007/2008.

Increases in other taxes such as gross receipts taxes, occupational license taxes, property tax, and payments in lieu of tax are expected to generate an additional \$1 million of revenue.

OFFICE OF THE CITY MANAGER

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homepage: <http://www.springfieldmogov.org> e-mail: city@ci.springfield.mo.us

As part of the annual budget process, the Budget and Evaluation division of Finance prepares an annual fee study. The purpose of the study is to calculate the current cost of providing discretionary City services such as rezoning applications and building permits, as well as the cost of specific ordinance violations. Fees may be adjusted annually, but generally do not increase annually more than the consumer price index. Fees for park activities and fees at the Airport are set independently of this study. Charges and fees are estimated to increase \$1.3 million for all funds.

Pay Plan Improvements

The results of the annual salary survey continue to show the majority of the City's employees in the lower third of the cities surveyed. In many cases, the City of Springfield is the lowest of both the cities surveyed and local employers. Due to fiscal pressures, there are limited resources available for pay plan improvements this year. The budget includes a 2% across the board pay increase for all employee groups to be effective in January of 2008.

The City maintains a self-insured workers compensation fund. For the last several years, the expenses of the plan have exceeded the payments into the Plan, resulting in a negative fund balance. For the 2008 fiscal year, the budget includes an increase of \$600,000 for this fund. We are in the process of implementing the State suggested rate for all occupational classes. For some occupational classes this may take a few years. I remain committed to work toward full funding of the workers compensation fund and eliminating the shortfall, over the next few years.

As you are aware, additional funding is needed for the Police Officers' and Firefighters' Retirement System. The 2007/2008 budget includes a lump sum contribution of \$500,000 to the Plan. Because of previously mentioned fiscal constraints, the City's contribution rate will remain unchanged. Changes have been made to the asset allocation of the Plan and new investment managers are in place. While these changes will not significantly improve the funding level, I feel they will have a positive impact on the Plan. We will continue to review other funding opportunities as they become available.

The City's self-insured health insurance fund remains stable. Our goal in this area is to stay on top of medical trends and continue to build reserves. The reserve in this fund is currently about 4 months of average claim expense. The long-term goal set by the Health Insurance Committee is to maintain a reserve equal to six months of average claim expense. In order to work toward this goal there will be two premium increases in the upcoming budget year. In July 2007, premiums will increase 3% and there will be another 2% increase effective January 2008.

Recommended Funded Priorities

Revenue in the general fund budget is estimated to increase \$4.4 million or 6% over 2006. Approximately \$1.3 million will fund the 911 Emergency Communications shortfall. Transfers to fund capital improvement projects will require a transfer of \$1.4 million from the general fund. \$600,000 will be directed to pay and benefits while the remaining revenue increase will be directed to priorities identified by City Council; public safety, transportation, economic development/quality of life and center city development.

Public Safety

The Police Department has identified 27 fleet vehicles that need to be replaced. These vehicles all have 80,000 to 100,000 miles. The Fire Department has a similar need to replace nine staff vehicles over the next three years. The budget includes funding for 16-18 vehicles acquired through a tax-exempt lease purchase program. The appropriation for the first year's payment is \$90,000. The actual number of cars purchased will depend on the purchase price and the interest rate the City is able to obtain for the financing.

The Fire Department will be implementing a physical fitness initiative based on a model used in other cities. The model establishes physical capabilities of the employee and makes recommendations as to how to improve the employee's fitness. A vital part of this program is a regular comprehensive physical. The budget includes \$35,000 for a physical every 18 months.

Economic Development and Quality of Life

Economic Development continues to be a major focus of our activities. We continue to look for opportunities to expand the retail sales tax base for the City. We have been very successful over the past several years in building public/private partnerships to promote economic development and enhance the quality of life for citizens. The budget continues funding for consultants to assist us in implementing opportunities that we have identified. In addition, we are continuing to partner with the Springfield Area Chamber of Commerce in the Partnership for Prosperity campaign.

Transportation

The Public Works Department and the Traffic Engineering Division continue to focus on providing convenient, efficient and safe movement of vehicles and pedestrians within the City.

During the 2007/2008 fiscal year, the City will implement a red-light camera program. Cameras will be placed at several major intersections in an effort to reduce the number of vehicles running red lights in the City. It is difficult to estimate the amount of fines this program will generate; therefore, we are trying to minimize the expenses associated with this program. There will be two full-time positions assigned to administer this program. The rest

of the funds are designated for unidentified capital improvements. The exact projects funded will be determined during the fiscal year based on the availability of funds.

The Transportation Division of Public Works continues to work on coordination of traffic signals and the expanded Traffic Management Center. These are multi-year projects that will be a major area of focus over the next few years.

Increased Operating Cost and Reserves

Approximately \$400,000 is provided in the general operating budget to address increased operating costs. The largest portion of this increase in the budget is allocated to custodial expense for City buildings. Other increases include fuel cost, replacement computers and funding for an independent review of internal controls.

The City used approximately 30% of the general fund reserve to pay for the non reimbursed cost associated with the January 2007 ice storm. The budget policies adopted by City Council requires a plan be developed to replenish the reserve. In the 2007/2008 budget, \$500,000 will be dedicated to replenish the operating reserve. The transfer from the general fund to the transportation fund has been eliminated to provide resources for this purpose. We expect to take this same action in the 2008/2009 budget. The remainder of the reserves will be replenished with excess revenue until we reach the level of 10% of the operating budget as outlined in the budget policy.

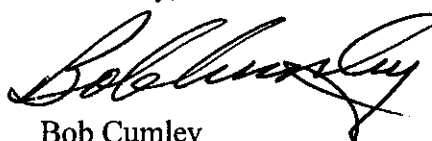
SUMMARY

As you read through the budget you will notice many of the priorities remain unfunded. All of these priorities are important and I hope that we will be able to fund more over the next few years. We have worked very closely with all departments to ensure the proposed budget reflects the City Council's priorities; the most critical budget needs, and meets the needs of the community.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Springfield, Missouri for its annual budget for the fiscal year beginning July 1, 2006. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

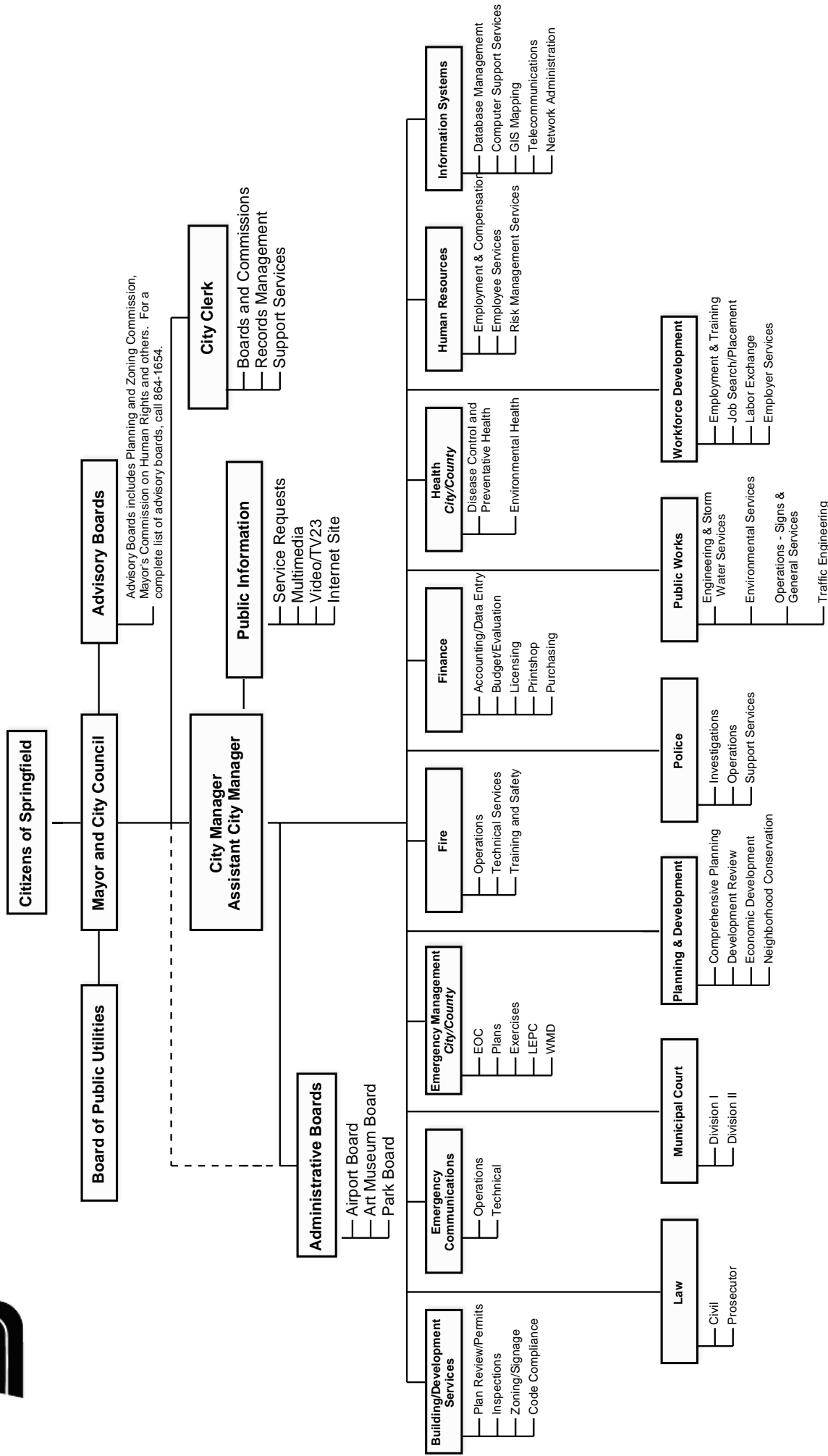
Sincerely,

A handwritten signature in black ink, appearing to read 'Bob Cumley', written in a cursive style.

Bob Cumley
City Manager



City Government's Organization Chart



Note: All Departments include an administrative section.

DEPARTMENTAL SUMMARIES

AIRPORT

The Springfield/Branson Regional Airport is owned by the City of Springfield and managed through a nine-member administrative board. The Board operates the airport as a self-supporting “enterprise function”, operating without tax revenue or general City funds.

ART MUSEUM

The Springfield Art Museum is a City agency with a rich heritage of supporting the arts in the Ozarks. It operates under authority of a nine-member board. Incorporated in 1928, the Museum was first operated entirely by volunteers and still relies heavily on community support in a variety of ways.

BUILDING DEVELOPMENT SERVICES

The Department of Building Development Services implements and monitors a variety of city, state, and federal codes, and four trades (electrical, plumbing, gas and mechanical). It also offers essential information for businesses, homeowners, landlords, tenants, contractors, and developers.

CITY CLERK

The position of City Clerk was created by the Charter of the City of Springfield. The City Clerk serves at the pleasure of the City Council and maintains official records for the City, including minutes, ordinances, resolutions, contracts, and other vital documents.

EMERGENCY COMMUNICATIONS

The Emergency Communications Department is committed to efficiently and compassionately answering the public’s call for emergency service response. The Springfield-Greene County Emergency Communications Department serves as the access point for the 9-1-1 caller needing public safety services. Departmental personnel have the direct responsibility for quick relay of requests for fire, police, emergency medical and related services. Calls from the entire county are processed through the communication facility.

FINANCE

The Finance Department includes six divisions. The Administration, Budget and Evaluation, and Accounting divisions prepare the City budget, financial audit, and a variety of other reports. The Accounting division is also responsible for payroll and accounts payable. The Printshop does all in-house printing and mailing. The Licensing division issues a variety of licenses and permits that are required to do business, sell to the public, or solicit funds in the City of Springfield. The Purchasing division contracts for goods and services for all departments, boards and agencies in the City of Springfield. Many of these divisions serve as a resource to other departments.

FIRE

The Springfield Fire Department provides emergency services in a 75.5-square-mile area from 11 fire stations with a full-time staff of more than 200 dedicated professionals

HEALTH

The Springfield/Greene County Health Department protects the public’s health and encourages citizens to build and maintain healthy lifestyles. The Health Department promotes good health practices and makes every effort to engage the community and focus public attention on issues for educational purposes.

HUMAN RESOURCES

The Department of Human Resources of the City of Springfield provides a variety of support services to other departments in the areas of Administration, Employee Relations, Employment and Compensation, Payroll and Benefits, Training and Development, as well as Safety and Wellness.

DEPARTMENTAL SUMMARIES *(continued)*

INFORMATION SYSTEMS

The Department of Information Systems is charged with the task of effectively and efficiently utilizing and maintaining the City Information Technology resources and investments; constructing and maintaining an effective communications network capable of supporting our mission; and supporting new acquisitions of hardware and software by City departments through research assistance, team participation, and leadership during implementation.

LAW

The Law Department assists the City Council, City Management and All City Departments with matters of municipal law and seeks creative solutions to issues within the confines of the law. The Prosecutor's Office represents the City in prosecuting violations of City Ordinances.

MUNICIPAL COURT

The Springfield Municipal Court is a division of the 31st judicial circuit of Greene County. Municipal Court is committed to providing a forum for the fair and impartial trial for persons accused of violating a Springfield ordinance.

PARKS

The Springfield/Greene County Park Board guides the City's parks, recreation, and sports programs.

PLANNING & DEVELOPMENT

The Planning and Development Department primarily provides services related to the physical development of the community. The department works with citizens and other departments to plan for the orderly growth of Springfield in a variety of ways.

POLICE

The Springfield Police Department is an accredited law enforcement agency comprised of 321 sworn officers and 80 civilian employees. The department is organized into four divisions: Services, Operations, Criminal Investigations, and Administration

PUBLIC INFORMATION OFFICE

The Public Information Office provides information to the general public and local media, and serves as a resource to the community. The Public Information Office also works with City departments to plan special events, release daily news, develop brochures, videos, and other informational materials about City government.

PUBLIC WORKS

The Public Works Department is the largest department in Springfield's City government, encompassing seven divisions. These divisions are Administration, Street Maintenance, Traffic Engineering, Sanitary Services, Solid Waste Management, Engineering, and General Services. Each division is responsible for several different services.

WORKFORCE DEVELOPMENT

The City of Springfield's Department of Workforce Development works in partnership with business, labor, education, community groups, and government working to bring quality educational, training, and employment opportunities to unemployed, often unskilled workers.



“Working with the Community”

COMMUNITY PROFILE



Population: 150,298

GET THE FACTS



Springfield Area of economic growth reaches 27 counties and 949,237 people.



The Springfield workforce has grown more than 6% in past 10 years.



Springfield's economic output doubled in the past decade—fastest growing in MO, top 50 in the US.

The cost of living in Springfield stays consistently 10% below the national average.



Springfield rapid business formation & growth earned it at TOP 10 ranking in the Entrepreneur Magazine's Hot Cities List.



City of Springfield, Missouri
Operating Indicators by Function/Program
Fiscal Year 2006

Date of Incorporation	February 18, 1838
Form of Government	Council-Manager
Number of Full-Time Employees	1,608
Area in Square Miles	80

Function/Program:

Public Works:

Street signs manufactured	3,108
Streets resurfaced (miles)	126
Trees maintained ("Tree City USA")	2,301
Street cleaning - curb miles	895
Street cleaning - times per year	10
Right-of-way mowing (acres)	1,080
Right-of-way mowing - times per year	7

Refuse Collection:

Refuse collected (tons per day)	335
---------------------------------	-----

Sanitary Services:

Average daily sewage treatment (thousands of gallons)	33,000
---	--------

Police:

Moving violations	27,739
Parking violations	6,818
Accident summary	6,996

Fire:

Calls for service	14,724
Smoke Detectors installed	948
Fire Safety information contacts	45,851

Parks and Recreation:

Rounds of golf played at City golf courses	112,560
Visitors to the City's Dickerson Park Zoo	173,516
Admissions to baseball/softball complexes	137,280
Admissions to City pool facilities	58,177

Public Health:

Vaccinations provided	20,780
Public water supply tests	16,453
Impounded animals	3,883
Certified copies of birth certificates issued	17,304
Air monitoring samples collected	25,256

Licensing Division:

New permanent businesses	1,797
New temporary businesses	2,865
Business license renewals	11,680

Building Development Services:

Building permits issued	915
Building inspections conducted	5,778

City of Springfield, Missouri
Capital Asset Statistics by Function/Program
Fiscal Year 2006

Function/Program:

Public Works:

Dump Trucks	63
Street sweepers	12
Backhoes	10
Tractors/Mowers	45

Police:

Stations	2
Patrol Cars	265

Fire:

Stations	11
Emergency response vehicles	28

Parks:

Acreage	2,707
Park facilities	89
Baseball diamonds	11
Softball diamonds	27
Community centers	4

Wastewater:

Sanitary sewers (miles)	1,125
Sanitary sewer manholes	26,406
Storm sewers (miles)	500
Treatment capacity (thousands of gallons)	56,000

Refuse Collection:

Bulldozers	5
Compactors	3
Loaders	3

Facilities and services not included in reporting entity:

Education:

Number of public elementary schools	37
Number of public middle schools	9
Number of public high schools	5
Number of private elementary/middle schools	10
Number of private high schools	5

Hospitals:

Number of hospitals	5
Number of patient bed	2082



“Working with the Community”

BUDGET SUMMARY





“Working with the Community”

A GUIDE TO USING THIS DOCUMENT

Budget Highlights

- ▶ *The summary by fund group for revenues, appropriations, debt service, and full-time equivalents are located on pages 29 to 57.*
- ▶ *The Budget Policies adopted by City Council are located on page 67.*
- ▶ *An overview of the General Operating Budget compared to the previously adopted General Operating Budget is printed on pages 68 & 69. This section includes an action plan for the community.*
- ▶ *The City's performance measurements and benchmarks with other communities or industry standards are included in the Performance Summaries section. (Page 75)*

Departmental Summaries, Priorities, Organizational Charts and Mission Statements

This section of the document beginning on page 123 contains information for each department as follows:

- ▶ *Expenditures and appropriations for the fiscal years 2006 – 2008*
 - ▶ *Human Resources, including new positions approved for funding*
 - ▶ *The department's three year critical service needs, ranked in priority order and identified as funded or unfunded*
 - ▶ *The department's organizational chart, presented to aid the user in better understanding some of the specific functions performed within each department*
 - ▶ *The department's mission statements*
-

A GUIDE TO USING THIS DOCUMENT

At the end of each department's priority statements, a cost summary is shown reflecting:

- ▶ *The cost of priorities which have been approved for funding in 2007-2008*
- ▶ *The continuing impact on future budgets of funding these priorities*
- ▶ *Unfunded priorities moved into either fiscal years 2008-2009 or 2009-2010. These priorities will be updated and reevaluated as part of next year's budget process.*

In the document, you may notice the terms "transfers" and "reserves".

▶ **Transfers are made between funds, and can be either:**

- *Operating, to cover normal operating items such as matching requirements for grant awards*
- *For debt service, to cover the debt requirements outlined in this document*

▶ **Reserves:**

- *Reflect the balancing of available resources with appropriations*
- *Can be either positive or negative amounts*
- *Can result from a number of items, which reflect:*
 - ◆ *additions or reductions to fund balance*
 - ◆ *resources received from the issuance of debt*
 - ◆ *restriction of resources for future allocation*

ALL FUND GROUPS

The City's operations are classified into fund groups for budget purposes. These fund groups are classified as general operating, grant & special revenue, capital projects, debt service, enterprise and internal service.

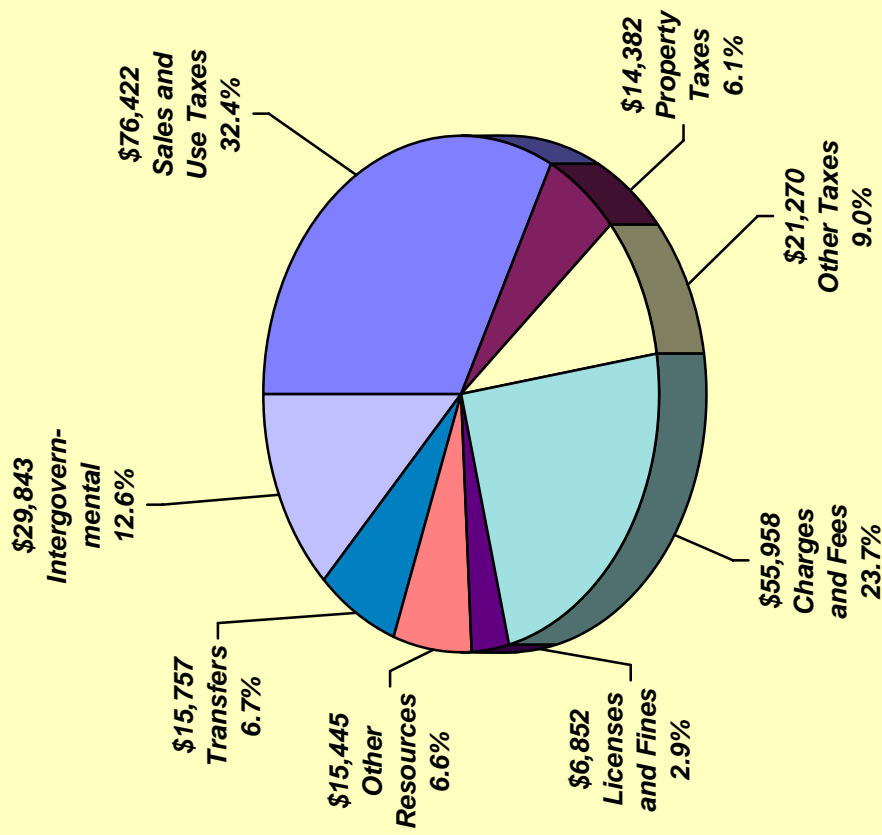
The modified accrual basis of accounting was used in budgeting for all fund groups. The same method is used for the audited governmental fund financial statements. Financial statements for proprietary funds use the accrual basis of accounting.



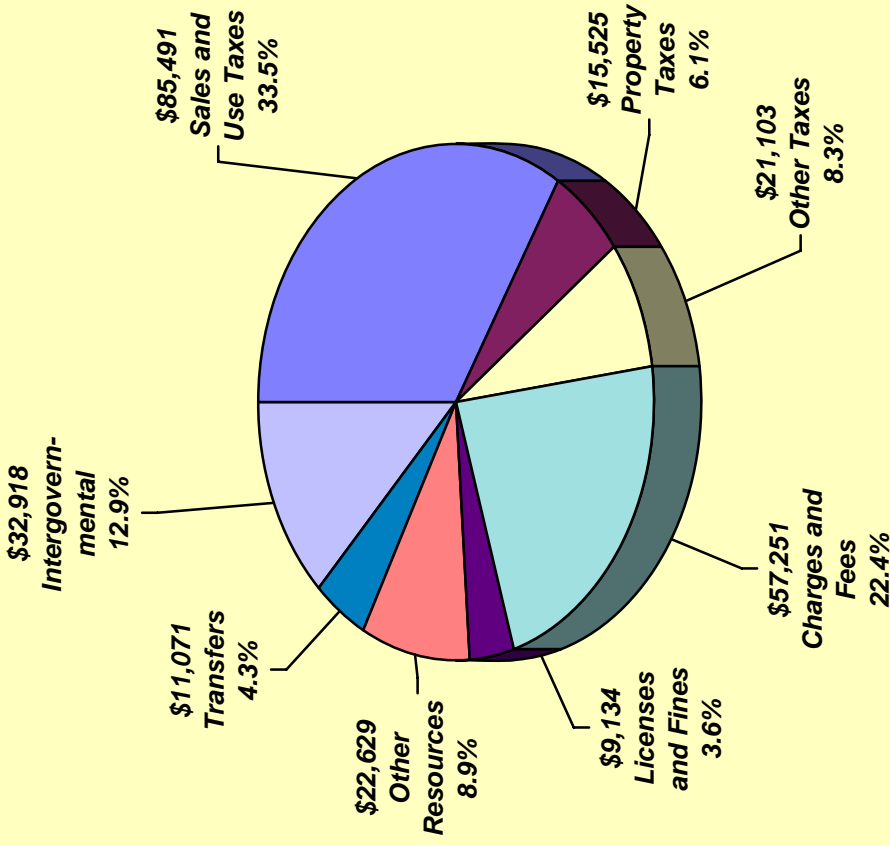
“Working with the Community”

City of Springfield, Missouri - 2007-2008 Annual Operating Budget

2006-2007 OPERATING BUDGET
RESOURCES - \$235,929,000
All Fund Groups



2007-2008 OPERATING BUDGET
RESOURCES - \$255,122,000
All Fund Groups



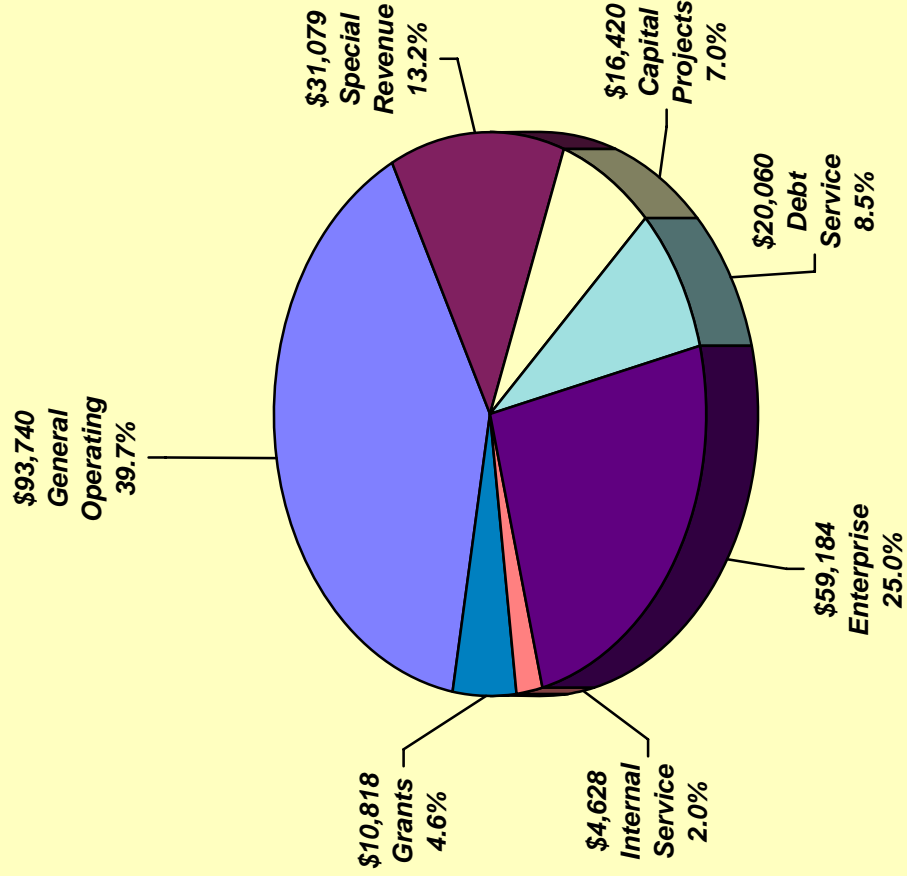
All amounts are expressed in thousands. Intrafund transfers have been eliminated.



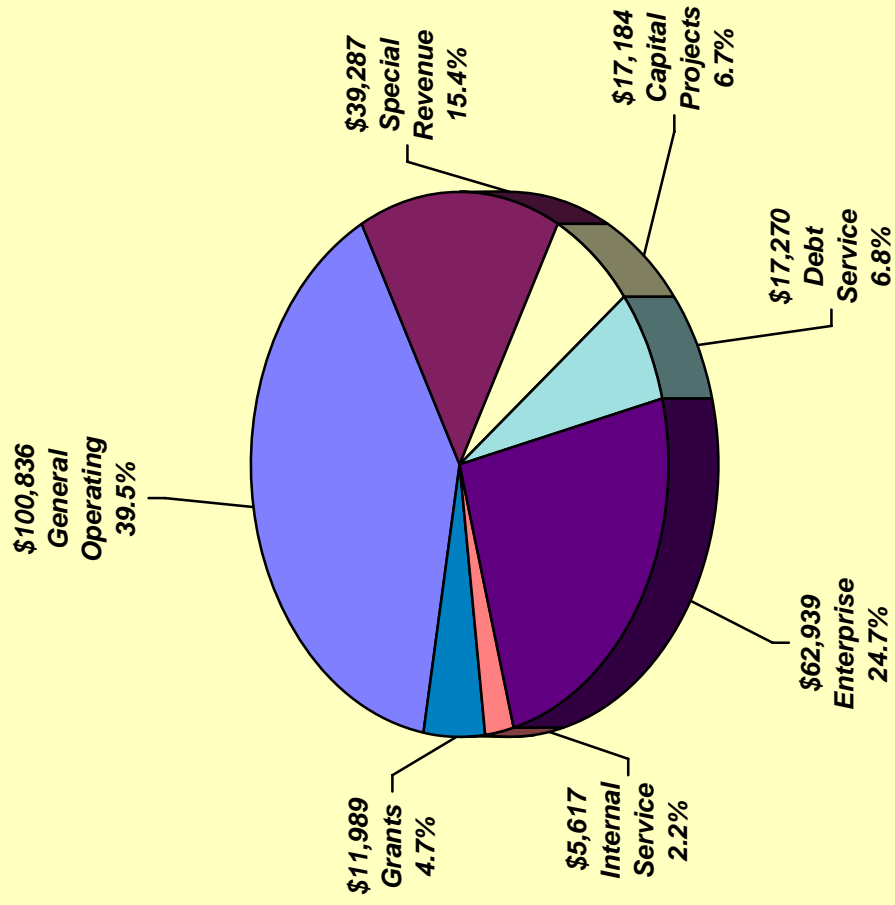
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City of Springfield, Missouri - 2007-2008 Annual Operating Budget

2006-2007 OPERATING BUDGET APPROPRIATIONS - \$235,929,000 All Fund Groups



2007-2008 OPERATING BUDGET APPROPRIATIONS - \$255,122,000 All Fund Groups



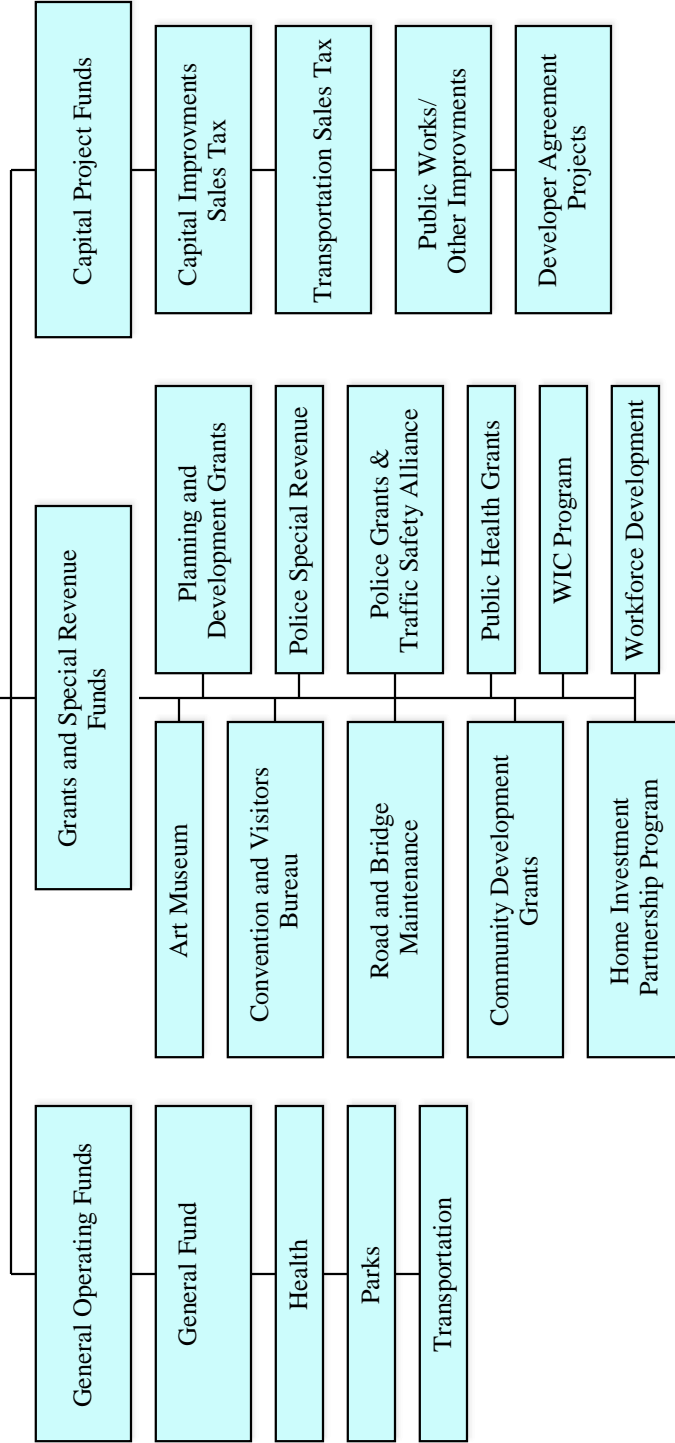
All amounts are expressed in thousands. Intrafund transfers have been eliminated.



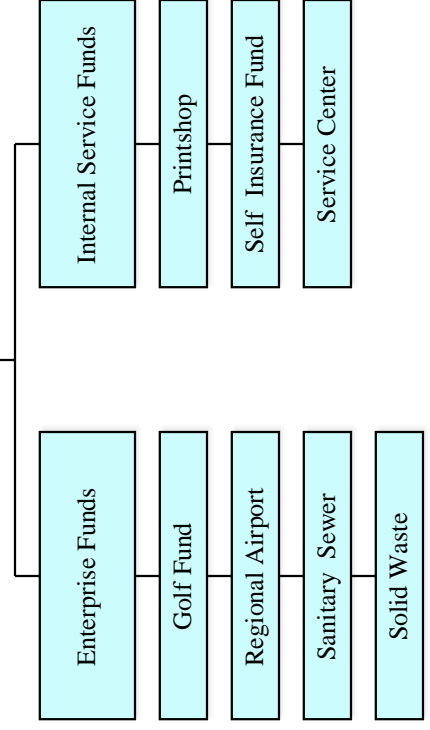
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CITY OF SPRINGFIELD FUND STRUCTURE

MODIFIED ACCRUAL BASIS OF ACCOUNTING



ACCRUAL BASIS OF ACCOUNTING



The modified accrual basis of accounting was used in budgeting for all fund groups. The audited governmental fund financial statements use the methods shown here which are the modified accrual basis of accounting, except for the proprietary funds, which use the accrual basis of accounting. (Please see glossary for definitions of each method.)

City of Springfield, Missouri

**Summary of Relationship between Fund Types, Revenue Sources, Expenditures
and Departments/Boards**

Fund Type	<i>General Operating Funds Including:</i> <i>General Fund Public Health Public Parks Transportation</i>	<i>Enterprise Funds Including:</i> <i>Airport Golf Sanitary Sewer Solid Waste</i>	<i>Internal Service Funds Including:</i> <i>Printshop Self-Insurance Service Center</i>
Major Revenue Sources	<i>Sales Tax Property Taxes Licenses and Permits Fines and Penalties</i>	<i>Utility Charges Airport Passenger Charges Rentals</i>	<i>Charges for Services</i>
Expenditure Types	<i>Salaries and Benefits, Operating Supplies and Services, Contractual Services, Machinery and Equipment, Vehicles</i>	<i>Salaries and Benefits, Operating Supplies and Services, Contractual Services, Machinery and Equipment, Capital Projects and Debt Service Requirements related to these business activities</i>	<i>Salaries and Benefits, Operating Supplies and Services, Contractual Services, Machinery and Equipment, Liability and Workers Compensation Claims</i>
Major Departments	<i>Police, Fire, Public Works, Planning, and others</i>	<i>Public Works, Airport, and Parks</i>	<i>Public Works, Human Resources (Self-Insurance Fund), and Finance (Printshop)</i>

City of Springfield, Missouri

Summary of Relationship between Fund Types, Revenue Sources, Expenditures and Departments/Boards

Fund Type	<i>Grant & Special Revenue Funds</i> <i>Including:</i> <i>Art Museum</i> <i>Community Development Grants</i> <i>Convention & Visitors Bureau</i> <i>Home Investment Partnership Program</i> <i>Planning & Development Grants</i> <i>Police Special Revenue</i> <i>Public Health Grants</i> <i>Road & Bridge Maintenance</i> <i>Tourism Tax</i> <i>Traffic Safety Alliance</i> <i>WIC (Women, Infants & Children)</i> <i>Workforce Development</i>	<i>Capital Project Funds</i> <i>Including:</i> <i>Capital Improvements Sales Tax</i> <i>Transportation Sales Tax</i> <i>Public Works Improvements</i> <i>Developer Agreements</i>
Major Revenue Sources	<i>Sales Tax</i> <i>Property Taxes</i> <i>Federal and State Grants</i> <i>Government Aid</i>	<i>1/4 Cent Sales Tax</i> <i>1/8 Cent Sales Tax</i> <i>Federal Hwy Admin Grants</i> <i>1/2 of incremental increase in</i> <i>one-cent general sales tax revenue</i> <i>from developer agreements</i>
Expenditure Types	<i>Salaries and Benefits, Operating</i> <i>Supplies and Services, Contractual</i> <i>Services, Museum Acquisitions,</i> <i>Machinery and Equipment, Capital</i> <i>Projects and Debt Service Requirements</i> <i>related to these business activities</i>	<i>Capital Assets including land,</i> <i>buildings, improvements, equipment,</i> <i>and infrastructure assets (e.g. roads,</i> <i>bridges, storm sewers, and similar</i> <i>items).</i>
Major Departments	<i>Public Works, Police, Public Health,</i> <i>Planning, Art Museum, and Workforce</i> <i>Development</i>	<i>Public Works</i>



“Working with the Community”

REVENUES

SCHEDULE OF PROJECTED 2008 REVENUES COMPARED TO ADOPTED 2007 AND ACTUAL 2006 TOTALS

CITY OF SPRINGFIELD CITY CHARTER

SECTION 5.8 (1)

The budget shall provide:

An itemized statement of estimated revenues from all sources for the year which the budget is to cover, together with a comparative statement of revenues for the last completed fiscal year and the year in progress.

SCHEDULE OF ACTUAL AND PROJECTED REVENUES
ALL FUND TYPES

	General Fund	Public Parks	Public Health Services	Transportation Fund	Total Operating Funds	Special Revenue Funds
TAXES						
Sales (General)	\$ 41,650,000	\$ -	\$ -	\$ -	\$ 41,650,000	\$ -
Sales (Capital Improvement)	-	-	-	-	-	-
Sales (Law Enforcement)	-	-	-	-	-	7,692,880
Sales (Transportation)	-	-	-	-	-	-
Sales (Parks)	-	-	-	-	-	15,798,093
Use	2,400,000	-	-	2,400,000	4,800,000	-
Property	-	4,689,446	3,064,298	-	7,753,744	1,213,287
In Lieu of Tax Payments	11,556,000	-	-	-	11,556,000	55,620
Gross Receipts	3,268,800	-	57,874	-	3,326,674	1,221,607
Cigarette	1,000,000	-	-	-	1,000,000	-
Room	80,000	-	-	-	80,000	1,862,794
Tourism	-	-	-	-	-	1,750,098
	<u>59,954,800</u>	<u>4,689,446</u>	<u>3,122,172</u>	<u>2,400,000</u>	<u>70,166,418</u>	<u>29,594,379</u>
LICENSES AND FINES						
Occupational Licenses	3,200,000	-	-	-	3,200,000	-
Permits	1,480,000	-	-	25,747	1,505,747	-
Fines and Forfeitures	1,865,000	-	-	-	1,865,000	1,825,000
Court Costs	575,000	-	-	-	575,000	-
	<u>7,120,000</u>	<u>-</u>	<u>-</u>	<u>25,747</u>	<u>7,145,747</u>	<u>1,825,000</u>
CHARGES AND FEES						
Charges for Services	521,000	-	540,000	-	1,061,000	2,054,995
User Fees	-	3,615,113	275,000	611,000	4,501,113	1,615,580
Aviation Fuel Sales	-	-	-	-	-	-
Sales of Goods	20,000	240,000	-	-	260,000	18,000
Rentals	-	64,400	-	-	64,400	14,900
	<u>541,000</u>	<u>3,919,513</u>	<u>815,000</u>	<u>611,000</u>	<u>5,886,513</u>	<u>3,703,475</u>
INTERGOVERNMENTAL						
Gasoline Taxes	-	-	-	4,750,000	4,750,000	-
State of Missouri	-	-	587,500	2,085,000	2,672,500	-
Greene County	3,787,095	-	900,000	-	4,687,095	1,475,000
Grants -					-	-
Airport	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Workforce Development	-	-	-	-	-	-
Public Works Improvements	-	-	-	-	-	-
WIC Program	-	-	-	-	-	-
Police	-	-	-	-	-	-
Other	-	-	-	-	-	296,000
	<u>3,787,095</u>	<u>-</u>	<u>1,487,500</u>	<u>6,835,000</u>	<u>12,109,595</u>	<u>1,771,000</u>
Interest on Investments	100,000	-	-	-	100,000	134,025
Special Assessment Tax Bills	-	-	-	-	-	-
Interest on Tax Bills	-	-	-	-	-	-
Bond and Loan Proceeds	-	-	-	-	-	-
Other Sources	972,371	-	-	987,600	1,959,971	1,511,416
Other Miscellaneous Revenues	554,000	295,119	350	3,000	852,469	747,234
	<u>1,626,371</u>	<u>295,119</u>	<u>350</u>	<u>990,600</u>	<u>2,912,440</u>	<u>2,392,675</u>
REVENUES BEFORE TRANSFERS	73,029,266	8,904,078	5,425,022	10,862,347	98,220,713	39,286,529
TRANSFERS	1,738,058	2,707,833	893,337	37,653	5,376,881	-
LESS ELIMINATIONS	-	(1,867,833)	(893,337)	-	(2,761,170)	-
TRANSFERS FROM OTHER FUNDS	1,738,058	840,000	-	37,653	2,615,711	-
TOTAL REVENUES	\$ 74,767,324	\$ 9,744,078	\$ 5,425,022	\$ 10,900,000	\$100,836,424	\$ 39,286,529

Grant Funds	Capital Projects Funds	Debt Service Funds	Enterprise Funds	Internal Service Funds	Adopted 2007-2008 Total	Adopted 2006-2007 Total	Actual 2005-2006 Total	Projected 2008-2009 Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,650,000	\$ 40,040,000	\$ 39,210,383	\$ 42,899,500
-	10,400,000	-	-	-	10,400,000	10,010,000	9,469,590	10,712,000
-	-	-	-	-	7,692,880	7,397,000	7,171,156	7,923,666
-	5,150,000	-	-	-	5,150,000	4,700,000	4,734,592	5,304,500
-	-	-	-	-	15,798,093	9,925,355	9,975,740	16,272,036
-	-	-	-	-	4,800,000	4,350,000	4,489,232	4,944,000
-	-	6,557,967	-	-	15,524,998	14,382,074	15,814,280	15,990,748
-	-	-	250,000	-	11,861,620	11,546,000	12,321,384	12,217,469
-	-	-	-	-	4,548,281	4,255,000	5,349,306	4,684,729
-	-	-	-	-	1,000,000	980,000	999,955	1,030,000
-	-	-	-	-	1,942,794	2,958,550	1,798,875	2,001,078
-	-	-	-	-	1,750,098	1,531,000	1,667,116	1,802,601
-	15,550,000	6,557,967	250,000	-	122,118,764	112,074,979	113,001,611	125,782,327
-	-	-	162,000	1,500	3,363,500	3,000,000	3,292,025	3,464,405
-	-	-	-	-	1,505,747	1,300,750	1,396,258	1,550,919
-	-	-	-	-	3,690,000	1,840,000	2,039,757	3,800,700
-	-	-	-	-	575,000	711,000	735,805	592,250
-	-	-	162,000	1,500	9,134,247	6,851,750	7,463,845	9,408,274
-	1,500,000	-	24,857,500	3,743,374	33,216,869	32,414,524	37,112,061	34,213,375
-	-	-	9,229,000	-	15,345,693	15,536,126	7,716,043	15,806,064
-	-	-	4,055,000	-	4,055,000	3,543,200	4,301,286	4,176,650
-	-	-	146,900	-	424,900	395,500	565,621	437,647
-	-	-	4,129,000	-	4,208,300	4,069,366	3,626,273	4,334,549
-	1,500,000	-	42,417,400	3,743,374	57,250,762	55,958,716	53,321,285	58,968,285
-	-	-	-	-	4,750,000	4,500,000	4,336,523	4,892,500
-	-	-	-	-	2,672,500	2,237,500	6,891,435	2,752,675
-	-	-	-	-	6,162,095	4,755,000	4,280,027	6,346,958
-	-	-	8,084,000	-	8,084,000	8,088,244	2,186,280	8,326,520
3,170,967	-	-	-	-	3,170,967	3,175,724	5,617,639	3,266,096
3,691,557	-	-	-	-	3,691,557	2,741,968	3,900,689	3,802,304
-	-	-	-	-	-	-	814,222	-
610,016	-	-	-	-	610,016	628,623	573,950	628,316
513,256	-	-	-	-	513,256	454,791	481,132	528,654
2,967,813	-	-	-	-	3,263,813	3,260,312	3,911,164	3,361,727
10,953,609	-	-	8,084,000	-	32,918,204	29,842,162	32,993,061	33,905,750
-	30,000	200,000	4,696,500	-	5,160,525	4,305,733	7,621,226	5,315,341
-	-	1,253,584	-	-	1,253,584	350,000	2,299,738	1,291,192
-	-	-	-	-	-	1,121,794	-	-
-	-	-	-	-	-	-	12,505,000	-
-	-	2,724,450	5,955,000	127,500	12,278,337	6,689,792	9,796,506	12,646,687
960,000	-	-	1,374,100	3,000	3,936,803	2,977,534	2,106,441	4,054,907
960,000	30,000	4,178,034	12,025,600	130,500	22,629,249	15,444,853	34,328,910	23,308,126
11,913,609	17,080,000	10,736,001	62,939,000	3,875,374	244,051,226	220,172,460	241,108,712	251,372,763
75,630	104,000	11,482,367	-	1,741,304	18,780,182	24,600,373	-	19,343,587
-	-	(4,948,437)	-	-	(7,709,607)	(8,842,978)	-	(7,940,895)
75,630	104,000	6,533,930	-	1,741,304	11,070,575	15,757,395	21,700,332	11,402,692
\$ 11,989,239	\$ 17,184,000	\$ 17,269,931	\$ 62,939,000	\$ 5,616,678	\$ 255,121,801	\$ 235,929,855	\$ 262,809,044	\$ 262,775,455

Revenue Projections

Overview

Revenue projections are prepared early in the budget process. The first step in the process is to revise the estimates for the current fiscal year, in order to develop an accurate base for the projections for the upcoming year. The revenue estimates are finalized during the completion of the budget. This section provides a description of the major revenue sources, and the assumptions used to develop estimates for the budget. A complete listing of all revenue sources is provided on page 30 & 31 of this document.

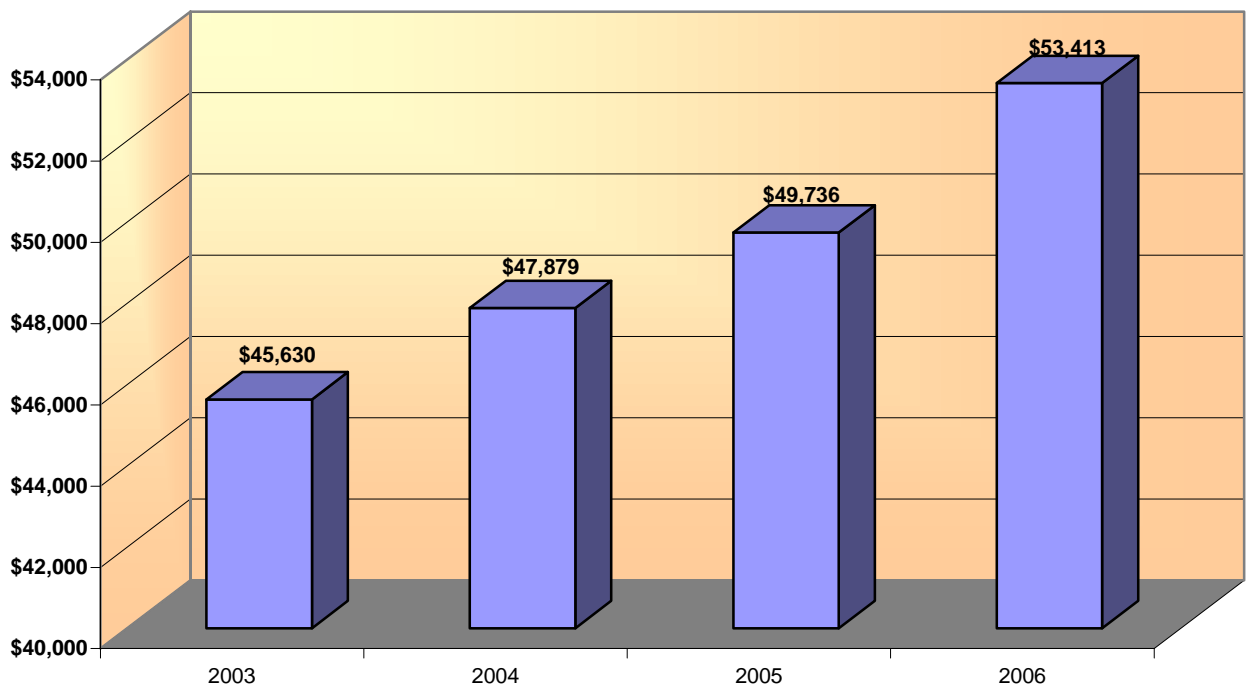
Sales Tax

Total sales tax in Springfield is 6.60%. The City's sales tax represents 1.375%, which includes 1% for general operations, .25% for capital improvements, and .125% for transportation. Springfield also shares in countywide sales taxes for law enforcement and parks. Sales tax revenue is a significant source of revenue for Springfield, generating 28% of total revenue. The City is a regional economic center and has a high student population, resulting in a high level of sales tax per capita. The economy is primarily service based and therefore is not subject to the high volatility sometimes experienced with sales tax revenue.

Over the last eight years, the City's sales tax has increased an average of 3.6% annually. The City continues to closely monitor receipts to recent economic developments, such as the sales tax holiday, Internet sales and retail development in outlying areas.

Sales tax revenue is estimated based on a combination of several factors, including the most recent six months of actual revenue, local economic trends and projected new retail activity. Sales tax revenue for the 2005/2006 fiscal year increased 7.7%. This is the highest rate of growth in several years and we believe this is a clear indicator of a strong local economy. At the same time, management recognizes the volatility of sales tax revenue. Sales tax revenue for the 2007/2008 budget year is projected to increase 3.5%.

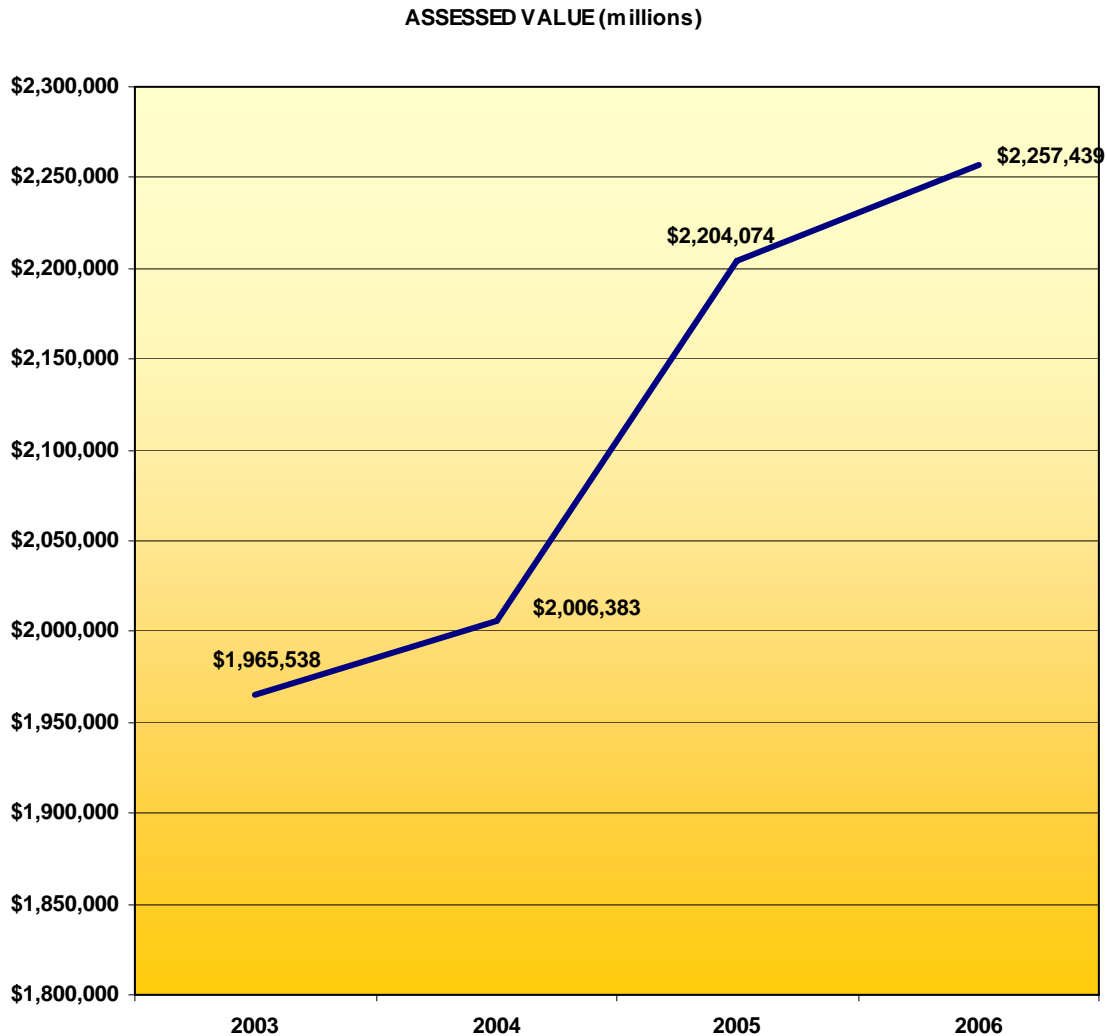
SALES TAX REVENUE (millions)



Property Tax

Property tax is levied on real estate and personal property, such as automobiles, boats and equipment. Property tax revenue supports parks, public health, the Art Museum and major capital projects. The Greene County Assessor assesses property values and the Greene County Collector collects the tax. Major reassessment is done in odd numbered years. Local and state property tax levies in Missouri are regulated by a constitutional amendment known as the Hancock Amendment. This amendment limits the growth in property tax revenue to the increase in the consumer price index (CPI). Therefore if property values increase more than the CPI, the levy is reduced to generate an increase in income equal to the CPI. Growth is allowed on a phased in basis for annexations and new construction.

Property values in Springfield increase on average 5.4% per year. Property tax revenue has provided a stable source of revenue to the City of Springfield. This helps in part to balance out the potential volatility of sales tax revenue. The budget for property tax revenue is based on the projected increase in the consumer price index. The actual tax levies are set in September, when the final assessed value information is received from Greene County. If the revenue estimates are significantly different, the budget is adjusted by City Council to reflect the difference in revenue.



Revenue Projections (con't)

Charges for service originate primarily from the City's enterprise funds and internal service funds. This revenue source represents charges to users of City services. In the enterprise fund the charges are for sanitary sewer services and solid waste disposal. The charges reflected in the internal service funds are for insurance, fuel and vehicle maintenance and the City's Print Shop. The fees are set at a level to recover the cost of providing the service and to establish and maintain a reasonable reserve.

As part of the budget development process, the Public Works Department provides revenue estimates based on volume, anticipated program changes and the established rate. There has not been a rate increase for sewer services or solid waste in the last several years. A rate increase for sewer services and solid waste is under consideration.

The general fund receives some fees for services, such as building permits, zoning applications and engineering reviews. An annual fee study is conducted each year as part of the budget development process. Generally, the City tries to recover 100% of the cost of providing the service when setting the fee. Increases are limited to the increase in the consumer price index plus 10%. In cases of under recovery, the annual increase is limited to 20% above the consumer price index.

Revenue estimates for charges for service are based on units of service from various City departments and estimated charges including information from the fee study.

User Fees

User fees are assessed to citizens using city services and/or facilities, such as parks and health services. Fees for various parks facilities and programs, including golf, represent 98% of the revenue total of this category. The Park Board establishes the fees for parks activities. The fee is set at a level to recover as much of the cost as possible, while still making the activity financially accessible to members of the community.

The Park Board establishes fees early in the budget development process. Revenue is based on programs, available facilities and anticipated usage.

Grants

The City administers several million dollars in grants each year, including Workforce Development, Women, Infants and Children, Community Development Block Grants and the HOME program. Generally, the grants appropriated in the budget are the grants that are renewed annually.

The fiscal year for grants received by the City vary based on the agency providing grant funds. Grant revenue for the year is estimated based on information received from the grant administrator. If the actual grant award varies from the budget, the budget is amended by City Council.

Payments in Lieu of Taxes (PILOTS)

Payments in lieu of taxes are received from the City's municipal owned utility. The City receives 4% of all gas revenue and 3% of electric revenue. This is an important source of revenue for the City. The receipts can fluctuate significantly based on weather and the price of natural gas.

In 2007/2008 this is projected to generate \$11.6 million. The budget estimates are based estimates of the cost of utilities and utilization. Weather and the changing price of natural gas, make it challenging to estimate this source of revenue.

Intergovernmental – Greene County

Springfield has several cooperative programs with Greene County. Collaboration between two local governments allows citizens to receive a higher level of service at a reduced cost and avoids duplication of services. The City funds all of the cost of the Springfield/Greene County Health Department and countywide emergency communications. Greene County pays the City for the cost of providing services to county residents, and Springfield bears the cost of the service for city residents.

The funding provided by Greene County is outlined in an intergovernmental agreement pertaining to each service. These formulas are applied to the City's estimated cost for the upcoming year.

Intergovernmental - State of Missouri

The State of Missouri provides funding for transportation, health and road improvements. Numerous grant funds also are channeled through the State. In addition to sharing in funding for roads, Springfield and the State of Missouri have some cooperative road projects that were pre-funded by the City. The State is repaying the City for these projects.

Funding from the State has been relatively stable despite an economic downturn at the State level.

The revenue estimates are based on contracts with the State of Missouri.



“Working with the Community”

APPROPRIATIONS

SUMMARY OF EXPENDITURES AND APPROPRIATIONS ALL FUND TYPES

CITY OF SPRINGFIELD CITY CHARTER

SECTION 5.8 (2)

The budget shall provide:

An itemized statement of proposed expenditures recommended by the City Manager for each office, department or agency for the year which the budget is to cover, together with a comparative statement of expenditures for the last completed fiscal year and the year in progress.

SUMMARY OF EXPENDITURES AND APPROPRIATIONS
ALL FUND TYPES

	2005-2006 <u>Actual</u>	2006-2007 <u>Adopted</u>	2007-2008 <u>Adopted</u>	2008-2009 <u>Projected</u>
<u>GENERAL OPERATING FUNDS</u>				
Building Development Services	\$ 1,738,800	\$ 1,981,421	\$ 2,068,934	\$ 2,131,002
City Attorney	1,953,902	1,683,377	1,785,586	1,839,154
City Clerk	315,974	348,701	378,268	389,616
City Manager	933,796	839,238	996,398	1,026,290
Emergency Communications	3,427,553	3,593,230	3,723,242	3,834,939
Finance	2,005,598	2,143,023	2,245,760	2,313,133
Fire	15,053,560	14,837,854	15,488,323	15,952,972
Human Resources	912,236	1,040,145	1,039,783	1,070,976
Information Systems	2,032,318	2,259,994	2,296,774	2,365,677
Mayor and City Council	62,689	85,357	76,857	79,163
Municipal Court	1,416,459	1,447,926	1,434,462	1,477,496
Non-Departmental	2,508,293	5,010,585	8,119,534	8,363,120
Planning and Development	1,602,480	1,649,345	1,730,282	1,782,191
Police	21,857,893	21,651,836	22,339,741	23,009,934
Public Health Services	5,421,834	6,142,844	6,318,359	6,507,910
Public Information Office	360,987	429,719	457,098	470,810
Public Parks	10,811,676	11,018,772	11,611,911	11,960,268
Public Works	6,669,187	7,427,053	7,825,114	8,059,867
Public Works - Transportation	11,014,984	10,150,000	10,900,000	11,227,000
TOTAL GENERAL OPERATING FUNDS	90,100,220	93,740,422	100,836,424	103,861,514
<u>SPECIAL REVENUE FUNDS</u>				
Art Museum	822,453	976,458	1,038,187	1,069,333
Convention and Visitors Bureau	2,860,219	2,743,550	2,853,043	2,938,635
Hotel/Motel Tax	1,700,716	2,205,819	1,750,098	1,802,601
Parks 1/4 Cent Sales Tax	11,541,053	10,910,895	17,385,073	17,906,625
Law Enforcement Sales Tax	8,619,292	8,873,092	9,083,595	9,356,103
Police Special Revenue	830,761	1,350,770	1,578,595	1,625,953
Telecable Special Revenue	558,417	847,135	672,458	692,632
Community Improvement District	1,032,791	931,390	1,059,032	1,090,803
Road and Bridge Maintenance Fund	3,425,216	1,475,000	1,505,000	1,550,150
Miscellaneous Special Revenue	414,713	764,748	2,361,448	2,432,292
TOTAL SPECIAL REVENUE FUNDS	31,805,630	31,078,854	39,286,529	40,465,126
<u>GRANT REVENUE FUNDS</u>				
Workforce Development	4,043,713	2,741,968	3,691,557	3,802,304
Community Development	6,626,653	4,670,012	4,751,859	4,894,414
WIC Program	568,219	628,623	610,016	628,317
Other Grants	2,500,478	2,777,684	2,935,808	3,023,882
TOTAL GRANT REVENUE FUNDS	13,739,063	10,818,285	11,989,239	12,348,917

SUMMARY OF EXPENDITURES AND APPROPRIATIONS
ALL FUND TYPES (continued)

	2005-2006	2006-2007	2007-2008	2008-2009
	<u>Actual</u>	<u>Adopted</u>	<u>Adopted</u>	<u>Projected</u>
<u>CAPITAL PROJECTS FUNDS</u>				
Capital Improvements Sales Tax	\$ 11,585,857	\$ 14,710,000	\$ 15,550,000	\$ 16,016,500
Public Works/Other Improvements	2,325,645	1,530,000	1,530,000	1,575,900
Developer Agreement Projects	78,403	110,000	104,000	107,120
Capital Leases	-	69,850	-	-
TOTAL CAPITAL PROJECTS FUNDS	13,989,905	16,419,850	17,184,000	17,699,520
<u>DEBT SERVICE FUNDS</u>				
General Obligation Bonds	887,781	1,269,237	1,409,469	1,451,753
Leasehold Revenue Bonds	10,463,570	11,400,860	13,267,072	13,665,084
Certificates of Participation	6,490,095	5,471,896	2,593,390	2,671,192
Revenue Bonds	5,825,496	1,918,898	-	-
Excess Reserves	-	-	-	-
TOTAL DEBT SERVICE FUNDS	23,666,942	20,060,891	17,269,931	17,788,029
<u>ENTERPRISE FUNDS</u>				
Sanitary Sewerage System	19,513,754	25,700,000	27,790,000	28,623,700
Regional Airport	14,527,431	26,250,473	27,609,000	28,437,270
Solid Waste	3,951,405	3,900,000	4,200,000	4,326,000
Golf	4,698,475	3,333,035	3,340,000	3,440,201
TOTAL ENTERPRISE FUNDS	42,691,065	59,183,509	62,939,000	64,827,172
<u>INTERNAL SERVICE FUNDS</u>				
Self-Insurance	2,013,046	1,151,491	1,741,304	1,793,543
Printshop	260,065	251,553	250,374	257,885
Service Center	3,215,548	3,225,000	3,625,000	3,733,750
TOTAL INTERNAL SERVICE FUNDS	5,488,659	4,628,044	5,616,678	5,785,178
TOTAL ALL FUND TYPES	\$ 221,481,484	\$ 235,929,855	\$ 255,121,801	\$ 262,775,455

SCHEDULE OF PROJECTED CHANGES IN FUND BALANCE FOR FISCAL YEAR 2007-2008

Fund	Estimated Beginning Balance*	Revenues	Expenditures	Projected Ending Balance**	Percent Change in Fund Balance
General Fund	\$12,600,636	\$74,767,324	\$74,767,324	\$12,600,636	0.00%
Public Parks	164,496	11,611,911	11,611,911	164,496	0.00%
Public Health Services	14,846	6,318,359	6,318,359	14,846	0.00%
Transportation Fund	5,165,889	9,912,400	10,900,000	4,178,289	-19.12%
Total Operating Funds	\$17,945,867	102,609,994	103,597,594	\$16,958,267	
Enterprise Funds:					
Airport	\$89,604,475	\$27,609,000	\$27,609,000	\$89,604,475	0.00%
Sanitary Sewer	216,180,231	27,790,000	27,790,000	216,180,231	0.00%
Solid Waste	7,439,315	4,200,000	4,200,000	7,439,315	0.00%
Golf	3,526,578	3,340,000	3,340,000	3,526,578	0.00%
Total Enterprise Funds	\$316,750,599	\$62,939,000	\$62,939,000	\$316,750,599	
Grant & Special Revenue Funds					
Art Museum	\$2,768,979	\$1,038,187	\$1,038,187	\$2,768,979	0.00%
Convention and Visitors Bureau	480,164	2,853,043	2,853,043	480,164	0.00%
Tourism Tax	61,918	1,750,098	1,750,098	61,918	0.00%
Road & Bridge Maintenance Fund	529,102	1,505,000	1,505,000	529,102	0.00%
Community Development Grants	50,284	1,385,898	1,385,898	50,284	0.00%
Home Investment Partnership Program	329,963	1,762,759	1,762,759	329,963	0.00%
Planning & Development Grants	0	1,603,201	1,603,201	0	0.00%
Police Special Revenue	190,869	1,578,595	1,578,595	190,869	0.00%
Police Grants/Traffic Safety Alliance	0	513,256	513,256	(0)	0.00%
Public Health Grants	14,846	2,422,552	2,422,552	14,846	0.00%
WIC (Women, Infants and Children)	6,098	610,016	610,016	6,098	0.00%
Workforce Development	0	3,691,557	3,691,557	0	0.00%
Miscellaneous Special Revenue	2,803,037	2,321,448	2,361,448	2,763,037	-1.43%
Total Special Revenue Funds	\$7,235,260	\$23,035,610	\$23,075,610	\$7,195,260	
Capital Project Funds					
Transportation Sales Tax	\$9,800,450	\$5,150,000	\$5,150,000	\$9,800,450	0.00%
Public Parks Improvement	9,730,606	17,385,073	17,385,073	9,730,606	0.00%
Public Works Improvement	13,517	1,530,000	1,530,000	13,517	0.00%
Capital Improvement Sales Tax	16,164,802	10,400,000	10,400,000	16,164,802	0.00%
Developer Agreement Projects	(268,022)	104,000	104,000	(268,022)	0.00%
Total Capital Project Funds	\$35,441,353	\$34,569,073	\$34,569,073	\$35,441,353	
Debt Service Funds					
General Obligation Bonds	\$16,260,873	\$1,409,469	\$1,409,469	\$16,260,873	0.00%
Leasehold Revenue	6,841,296	13,267,072	13,267,072	6,841,296	0.00%
Certificates of Participation	2,230,669	2,593,390	2,593,390	2,230,669	0.00%
Revenue Bonds	1,293,401	0	0	1,293,401	0.00%
Total Debt Service Funds	\$26,626,239	\$17,269,931	\$17,269,931	\$26,626,239	
Internal Service Funds:					
Printshop	(\$243,322)	\$250,374	\$250,374	(\$243,322)	0.00%
Self-Insurance	(4,240,873)	1,741,304	1,741,304	(4,240,873)	0.00%
Service Center	722,762	3,625,000	3,625,000	722,762	0.00%
Total Internal Service Funds	(\$3,761,433)	\$5,616,678	\$5,616,678	(\$3,761,433)	

SCHEDULE OF PROJECTED CHANGES IN FUND BALANCE FOR FISCAL YEAR 2007-2008

*Estimated Beginning Fund Balance is the ending fund balance per the Comprehensive Annual Financial Report for the Year Ended June 30, 2006 adjusted by the budgeted revenues and expenditures for the 2006-2007 fiscal year to arrive at an estimated beginning fund balance as of July 1, 2007.

**Projected Ending Fund Balance as of June 30, 2008.

Fund Balance is the difference between a fund's assets and liabilities. These unexpected funds roll forward from one fiscal year to the next. As part of the City's budget policy, fund balance is to be maintained at a level of 8-10% of our operating funds budget. Fund balances can be classified into three categories: (1) designated, (2) contingency, or (3) undesignated. Designated fund balance is money that is "earmarked" or "designated" for a specific purpose. Examples may include employee merit increases, debt service obligations, or capital improvement projects. These amounts are not available for appropriation and in some cases may be legally restricted by outside parties for use for specific purposes. Contingency fund balance is money that is reserved or set aside for "rainy day" scenarios such as cash flow problems or economic downturns. Undesignated fund balance is the amount available for appropriation throughout the year.

Explanation of Changes in Fund Balance Greater than 10%

Transportation Fund

Expenditures in this fund are projected to exceed revenues by approximately \$987,600, causing a change in the fund balance equal to this amount. The annual transfer from the General Fund to the Transportation Fund will not be made for the 2007-2008 budget year or the following budget year of 2008-2009. The transfer has been eliminated for two years in an effort to increase the reserves in the General Fund. The Transportation Fund has adequate reserves to handle any shortfalls that may occur in the 2007-2008 and 2008-2009 fiscal years.



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FINANCIAL POLICIES

CITY OF SPRINGFIELD FINANCIAL POLICIES

Background

The following general principles should be followed in the financial management of the City of Springfield and in the development of the annual budget. These policies have been developed to guide the City in delivering a consistent level of service, maintaining a stable financial position and an equitable tax structure.

The discussion of these policies will provide more information to citizens, council members, and city employees – all interested stakeholders in the budget. Communications with these groups will improve understanding of the resource allocation decisions and will promote accountability.

FINANCIAL PLANNING POLICIES

Balanced Budget

To provide for a continuing level of government services and financial stability, the City of Springfield operates with a balanced operating budget that supports current expenditures with current revenues. Current revenues are defined as taxes, charges and fees, intergovernmental revenue, interest, and other miscellaneous revenue. Current expenditures are defined as personnel, supplies, services and general operating equipment. The operating budget does not include major capital equipment and capital improvement projects. These projects and costs are included in the six-year Capital Improvement Program (CIP).

The City is committed to meeting this policy under normal circumstances. It is recognized, there may be times when it is advisable and necessary to use the cash reserves to balance the operating budget. If the annual budget requires the use of fund balance to match operating revenue and expenses, the amount of the fund balance used and the purpose for which it is appropriated shall be identified in the annual budget message.

Asset Inventory

The City Council and management of the City of Springfield recognize an accurate inventory of major capital assets and regular maintenance is an important element of the capital improvement plan. The Public Works Department maintains a database of all major capital assets within the City of Springfield. The database includes a complete inventory and condition assessment of major capital assets. The condition assessment is performed and recorded on a regular basis. This assessment is used to determine the replacement and maintenance schedule for the assets. This schedule is coordinated with available funding as part of the development of the annual budget and the Capital Improvements Plan.

REVENUE POLICIES

Diversification of Revenue

Sales tax is the primary source of revenue for the City of Springfield. Sales tax comprises 47% of the revenue for the general fund and is a major source of revenue for capital improvements and law enforcement. A more diversified revenue base is desirable.

When a new revenue source or a change in fees is considered, the effect this change will have on the balance of the revenue structure shall be considered. The City will continue to look for sources of revenue to improve the balance in the revenue structure.

Charges for Municipal Services

The City of Springfield charges fees for municipal services that are voluntary in nature and benefit specific individuals. The most efficient use of City resources is achieved when the fee for these services pays for the cost of providing the service. When determining the charges for municipal services, the goal is to maximize cost recovery consistent with City Council direction. The following guidelines shall be used in evaluation of fees.

- The Finance Department shall review charges for municipal services annually.
- Any efficiencies that are achieved in the delivery of services shall be accompanied by a reduction in the fee for providing the service. The review process shall provide an automatic mechanism for passing along inefficiencies that may exist in the system.
- Recommended fee increases shall be subject to an annual cap equal to the percentage change in the CPI. In a situation of under recovery, the maximum increase shall be 10% plus the percentage increase in the CPI. In cases where cost recovery is 50% or less, a maximum of 20% plus the percentage increase in the CPI may be phased in until cost recovery percentages reach 75%. In instances where under-recovery of cost is occurring and the fee in question is \$30 or less, an increase to reach 100% cost recovery is acceptable, regardless of the percentage change in the fee from the prior year.
- Changes related to ordinance violations may be adjusted annually as necessary to maintain full cost recovery.
- Proposed changes to fees will be available for public review and when appropriate staff will work with groups such as the Development Issues Input Group. (DIIG)

Non-Recurring Revenue

Generally, annual revenue of the City can be classified as either recurring or non-recurring revenue. Examples of recurring revenue are sales tax, property tax and fees for services. Although the level of revenue may be subject to economic conditions, it is certain to be available from year to year. One time revenue or non-recurring revenue may be generated from grants, refunding of debt, the sale of fixed assets or other sources. This revenue may be available for more than one year, but is not considered a permanent source of funding.

In order to insure the City of Springfield is able to provide a consistent level of services, and to avoid disruptive effects on the community, the use of non-recurring or one-time

revenue should generally be limited to non-recurring expense. Examples of proper use of this revenue are land acquisition, major capital purchases, start up costs for new programs, and stabilization funds for short periods of time when expenditures exceed revenue. Major capital expenditures that will significantly increase operating expenses should have a long-term sustainable revenue source. Grant applications should be based on meeting the City's needs not just the availability of grant funds.

Use of Unpredictable Revenues

Sales tax is a major revenue source for the City general fund, generating approximately 50% of total revenue. Sales tax revenue is dependent on such factors as the local and national economy, energy prices, the availability of local retail opportunities, and Springfield's role as a regional economic center. Because of this volatility, the Finance Department monitors sales tax revenue very closely. Each month the revenue is compared to the budget estimate and to the revenue collected the prior year. Variances over 5% are researched to determine if the differences are related to the timing of the collections or a decrease in retail activity. If sales tax revenue exhibits a consistent downward or flat trend, the Finance Department will analyze the total general fund revenue and expense. Departments may be asked to limit expenses for the remainder of the fiscal year. The general fund operating reserve may also be utilized to cover a revenue shortfall.

EXPENDITURE POLICIES

Undesignated Reserves

General Fund

The City recognizes the need to maintain adequate cash reserves and to provide an appropriate level of services funded from annual revenues. In order to balance these needs, and to maintain the City credit rating, an unreserved fund balance of 8% to 10% of operating revenues will be maintained in the general fund. In addition to providing financial stability, the unreserved fund balance provides the City with resources to achieve its objectives and the flexibility to respond to unexpected opportunities.

The unreserved fund balance may exceed 10%. If the unreserved fund balance exceeds 10%, the difference may be used for the following purposes:

- One – time expenditures that do not increase the City's operating budget
- Implementation of new programs or other projects that will be self-funding or can be fully supported by the operating budget within three years
- Funding during periods of economic decline
- Emergencies

- Allow 50% of year-end savings within a department's budget to be utilized for priorities identified in the department's three-year budget when operating revenues experience a growth rate of 3% and revenue exceeds expenses for the fiscal year.

If the unreserved fund balance falls below 8% of operating revenues, a recommendation shall be developed to restore the fund balance to the appropriate level within two years.

Enterprise Funds and Special Revenue Funds

Enterprise funds and special revenue funds of the City of Springfield will maintain a positive retained earnings position and shall provide sufficient reserves for emergencies and reserve shortfalls.

Internal Service Funds

The City of Springfield shall not regularly maintain a positive retained earnings position in internal service funds. If an internal service fund begins to accumulate a significant amount of retained earnings, the city's performance auditor shall undertake a comprehensive analysis of fee structure.

Debt Service Funds

The City shall maintain sufficient reserves in debt service funds, which equal or exceed the reserves required by bond ordinances.

Compensation

The City of Springfield recognizes the ability to provide quality services to the community is directly related to the quality of the City's employees. Competitive pay and benefits are a major factor in attracting and retaining qualified employees.

The City of Springfield will survey employee pay and benefits of local organizations and several other cities having characteristics similar to Springfield. The goal is to be competitive with the benchmarked cities and the local market. Generally, the City tries to keep salaries in the middle third of the benchmarked cities.

The City of Springfield shall maintain salaries and benefits in the range of 73% to 77% of the operating budget. The City will use at least 50% of the increase in available revenues for pay plan improvements before expanding services levels.

Cost Effective Services

The City will seek the best service level at the least cost through City forces, private sector contracts or Not for Profit (NFP) contracts. Contracts for significant private sector services will include a formal process that insures a level playing field for the City and the private sector to submit competitive bids. Evaluating the need for NFP contracts will include how well they compliment or extend current City services and how well they fill an under met City priority or community need that is not otherwise being met. Any contracts with NFP will include: specific services to be provided; number of volunteer hours; community financial support; and the requirement of annual financial service and accomplishments report.

BUDGETARY COMPLIANCE

The City of Springfield is required by the City charter to have an existing appropriation before expenditures can be made. The Finance Department maintains controls to prohibit a department from spending in excess of their annual budget. Departments may transfer appropriations between expenditure categories with the exception of salary and benefits.

The Budget and Evaluation division of the Finance Department is responsible for analyzing actual revenue, expenses and monitoring compliance with the operating budget. Each department is assigned a budget analyst. The analyst reviews the department's monthly budget, communicates budget concerns to the departments and processes administrative budget adjustments if needed. Quarterly, a revenue and expense analysis is prepared for the City Manager's office and is available for City Council. This report compares actual revenue and expense to budget and highlights any issues for concern.

MAJOR CAPITAL ASSETS

The Public Works Department maintains a database of all major capital assets within the City of Springfield. The database includes a complete inventory and condition assessment of major capital assets. A condition assessment is performed and recorded on a regular basis. This assessment is used to determine the replacement and maintenance schedule for the assets. This schedule is coordinated with available funding as part of the development of the annual budget.

USE OF UNPREDICTABLE REVENUES

Sales Tax is a major revenue source for the City's general fund. Sales tax is subject to many factors such as the local and national economy and the availability of retail opportunities and Springfield's role as a regional economic center. Because of this volatility, the Finance Department monitors sales tax revenue very closely. Each month the revenue is compared to the budget estimate to the revenue collected the prior year. Springfield's trends are compared to other municipalities in the state.

DEBT SERVICE

SUMMARY OF DEBT SERVICE REQUIREMENTS FOR ALL OUTSTANDING INDEBTEDNESS

CITY OF SPRINGFIELD CITY CHARTER

SECTION 5.8 (3)

The budget shall provide:

A statement of the amount required for the payment of interest, amortization and redemption charges on the debt of the City.

Debt Policy

1. Purpose

The City recognizes the foundation of a well-managed debt program is a comprehensive debt policy. A debt policy is an important tool to insure the appropriate use of the City's resources to meet the commitment to provide services to the community and to maintain sound financial management practices. These policies are guidelines for general use and allow for exceptions in extraordinary circumstances. The primary objectives of this policy are to

- ◆ Demonstrate a commitment to long-term financial planning objectives
- ◆ Promote continuity and consistency in the decision making process
- ◆ Provide guidance to decision makers regarding the timing and purposes for which debt may be issued
- ◆ Minimize interest expense and cost of issuance
- ◆ Maintain the highest credit rating possible

2. Debt Affordability Analysis

The following factors shall be considered when evaluating debt capacity

- ◆ Statutory and constitutional limitations on the amount of debt that can be issued
- ◆ Requirements of bond covenants
- ◆ Revenue projections and reliability of revenue sources to repay debt
- ◆ Projections of the City's financial performance such as revenues and expenditures, net revenue available for debt service, unreserved fund balance levels
- ◆ Measures of debt burden such as net bonded debt per capita, net bonded debt as a percent of assessed value, ratio of debt service to expenditures

Types of Debt

Debt financing shall be used by the City of Springfield to fund infrastructure improvements and acquire capital assets that cannot be acquired from either current revenues or fund balance. Debt financing shall include general obligation bonds, revenue bonds and other obligations permitted under Missouri law. The City will select a financing technique that provides for the lowest total cost consistent with acceptable risk factors and the principles of equity, effectiveness and efficiency.

The City intends to include in the annual operating budget a sufficient amount to fund ongoing maintenance needs and to provide for periodic replacement consistent with the philosophy of maintaining capital facilities and infrastructure to maximize the useful life. The useful life of the improvement shall not exceed the payoff schedule.

Capital Improvements Program (CIP)

The City's Capital Improvements Program is a multi-year plan that prioritizes the City's capital needs over a five-year period. The process encourages citizen input to identify projects that are consistent with the community's goals and needs. The identified needs are balanced with available funding. The major funding sources for capital projects are capital improvements sales tax, transportation sales tax and property tax. Other essential funding sources are cost sharing agreements with other governmental agencies, public-private partnerships and grants. The City's Capital Improvements Program balances pay as you go funding with debt financing.

Short Term Borrowing

Short-term obligations such as bond anticipation notes (BANS) may be used to finance projects for which the City ultimately plans to issue long-term debt. The BANS will provide interim financing, which will eventually be refunded with the proceeds of the long-term obligations. Interim financing may also be appropriate when long-term interest rates are expected to decline in the future.

General Obligation Bonds

Long-term general obligation bonds shall be issued to finance capital improvements for purposes set forth by the voters in bond elections. The City is committed to completing the specific projects approved in a referendum election. In accordance with the City Charter, all general obligation bonds will be sold competitively. The City's full faith and taxing authority are irrevocably pledged to the timely payment of principal and interest of general obligation bonds.

Revenue Bonds

Revenue bonds are limited liability obligations. The security for the bond is a pledge of a specific revenue stream. While these obligations are not backed by the City's full faith and credit, the City of Springfield recognizes the moral commitment made to bond holders and the importance of timely principal and interest payments on the City's credit rating.

Public Benefit Corporations

The City has two nonprofit public benefit corporations. The corporations issue bonds for City facilities and infrastructure. The bonds are paid solely from lease payments made by the City to the corporations and are not obligations of the City, however, the City recognizes its moral commitment to make timely principal and interest payments.

Financing improvements through the public benefit corporations provides the City greater flexibility in implementing the capital improvement program and provides an orderly matching of cash collections with expenditures.

Debt Policy (con't)

Certificates of Participation

The City may use lease purchase transactions such as certificates of participation to finance equipment or facilities. Because this type of financing typically carries a higher rate of interest, the use of certificates of participation will be limited to equipment or facilities that are essential to the operation of general government services.

Capital Leasing

Capital leasing is an option for the acquisition of equipment costing less than \$1 million. Whenever a lease is arranged with a private sector entity, a tax-exempt rate shall be sought. Since the interest rate on lease financing can vary widely, the City shall obtain at least two competitive proposals for any major lease financing.

3. Structural Features

Capitalized Interest

Capitalization of interest (using borrowed funds to pay interest on a debt obligation) provides a means of mitigating the immediate impact of new debt until the financed facilities are in full operation. This practice will be limited to interest on debt during construction and the start up period for revenue generating facilities. Capitalized interest will generally be limited to four years or less. However, if there is a large-scale project this period may be adjusted to reflect the needs of the project.

Credit Enhancement

Credit enhancements such as bond insurance, letters of credit, and surety bonds guarantee timely payment of principal and interest. The use of credit enhancement results in a higher rating thereby lowering the cost of the debt. Credit enhancement will be used when more than the cost of the credit enhancement reduces the net debt service on the bonds.

Premiums

The City's bonds may be sold at a discount or a premium in order to market bonds more effectively, achieve interest savings or meet other financing objectives.

Refunding of Existing Debt

Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refunding will be considered when the analysis indicates the potential for present value savings of approximately 5% of the principal being refunded. Refundings will also be considered when there is a need to modify covenants essential to operations and management.

The City may choose to refund outstanding indebtedness when existing bond covenants or other financial structures impinge on prudent and sound financial management. Saving requirements for current or advance refundings may be waived by the City Manager upon finding that such a restructuring is in the City's overall best financial interest.

Conduit Financings

Conduit financings are securities issued by a government agency to finance a project of a third party such as a non-profit organization or other private entity. The City may sponsor conduit financings for activities such as economic development that have a general public purpose and are consistent with the City's overall policy objectives. Unless a compelling public policy rationally exists, such conduit financings will not in any way pledge the City's faith and credit.

4. *Management Practices*

Bond Counsel

The City will retain outside bond counsel for all debt issues. All obligations issued by the City will include a written opinion as to the legality and tax-exempt status of the any obligation. The City will seek the advice of bond counsel on all other types of financings and any questions involving federal tax issues or arbitrage law.

Financial Advisor

The City will retain the services of a financial advisor. The financial advisor will assist on the structuring of the obligations to be issued, inform the City of available options and advise the City on the timing and marketability of the obligations.

Investment of Bond Proceeds

Investment of bond proceeds shall be consistent with those authorized by state law and City investment policy. Interest earned on bond proceeds may be used for the financed project.

Rating Agency Relations

The City seeks to maintain the highest credit rating possible for all categories of debt that can be obtained without compromising the delivery of basic city services and achievement of City policy objectives. Full disclosure of operations will be made to bond rating agencies. The City staff with the assistance of financial advisors and bond counsel will prepare the necessary materials for presentation to the rating agencies. City staff will maintain open communications with the rating agencies, informing them of major financial events in the City. The Comprehensive Annual Financial Report shall be distributed to the rating agencies after it has been accepted by City Council.

Continuing Disclosure

The City is committed to meeting secondary disclosure requirements on a timely and comprehensive basis. Official statements and Comprehensive Annual Financial Reports, will meet the continuing disclosure standards set by the Municipal Standards Rule Making Board (MSRB), the Government Accounting Standards Board (GASB), the Securities and Exchange Commission (SEC) and Generally Accepted Accounting Practices (GAAP). The Department of Finance shall be responsible for providing ongoing disclosure information to established national repositories and for compliance with disclosure standards set by state and national regulatory bodies.

Arbitrage

Federal arbitrage legislation is intended to discourage entities from issuing tax-exempt obligations unnecessarily. In compliance with the spirit of the legislation, the City will issue obligations as close to the time the contracts are expected to be awarded as possible.

Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the Finance Department shall contract for arbitrage rebate services. The City's bond counsel and financial advisor shall review in advance any arbitrage rebate payments and forms sent to the Internal Revenue Service.

Debt Policy (con't)

LEGAL DEBT MARGIN

The constitution of the State of Missouri limits the amount of general obligation and special assessment debt a municipality may issue to 30% of the assessed value of property. In 2006 assessed value in the City of Springfield was \$2,221,818,000. Springfield's outstanding debt may not exceed \$666,545,000. The City is in not danger of exceeding the legal debt margin.

Assessed Value –2006	\$ 2,221,818,000
Debt Limit 30% of Assessed Value	\$ 666,545,000
Less Outstanding Debt Subject to Limitation	\$ <u>16,363,000</u>
Debt Margin	\$ 650,182,000



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DEBT SERVICE**2007-2008 REQUIREMENTS**

	<u>Original Issue</u>	<u>Principal Outstanding July 1, 2007</u>	<u>Principal</u>	<u>Interest and Fees</u>
GENERAL OBLIGATION BONDS				
General Obligation Refunding Issue, Series 1993	18,740,000	265,000	135,000	12,190
General Obligation Stormwater Improvement Bonds, Series 2001B	3,000,000	2,380,000	120,000	111,075
Lone Pine Neighborhood Improvement District	675,000	600,000	25,000	21,650
General Obligation Sewer Improvement Bonds July 2003	3,050,000	2,550,000	175,000	94,352
General Obligation Sewer Improvement Bonds Feb 2005 Series 2005A, February	3,950,000	3,545,000	220,000	122,927
General Obligation Sewer Improvement Bonds Nov 2005 Series 2005B, November	4,000,000	3,710,000	230,000	142,275
	<u>33,415,000</u>	<u>13,050,000</u>	<u>905,000</u>	<u>504,469</u>
LEASEHOLD REVENUE BONDS				
Public Building Corporation Leasehold Revenue Bonds Series 1999 (Stormwater/Warning System/Firestations)	16,000,000	13,750,000	675,000	743,926
Public Building Corporation Leasehold Revenue Bonds Refunding Series 1997 (Busch Building)	6,365,000	2,265,000	525,000	109,660
Public Building Corporation Leasehold Improvement Series 2004 Refunded 1992 (Parks Tennis Facility)	2,245,000	16,277	16,277	-
Public Building Corporation Leasehold Improvement Series 1995	5,400,826	4,568,172	303,448	232,185
Public Building Corporation Leasehold Improvement Series 1995 (Parks Improvement)	3,360,000	1,107,189	321,463	52,046
Public Building Corporation Leasehold Revenue Bonds Series 1998 (Jordan Valley Park)	8,500,000	7,400,000	320,000	377,533
Public Building Corporation Leasehold Revenue Bonds Series 2000A (Jordan Valley Park)	5,916,467	5,886,467	25,000	109,360
Public Building Corporation Leasehold Revenue Bonds Series 2003 Recreation Ice Taxable	10,440,000	9,955,000	250,000	388,450
Public Building Corporation Leasehold Revenue Bonds Series 2001A (Capital Improvement Projects)	7,885,000	5,655,000	435,000	284,570
Public Building Corporation Leasehold Revenue Bonds Series 2002 (Capital Improvement Projects)	8,555,000	6,040,000	515,000	245,952
Public Building Corporation Leasehold Revenue Bonds Series 2001B (South Side Police Station)	4,005,000	3,265,000	145,000	164,987
Public Building Corporation Leasehold Revenue Bonds Series 2002A (JVP Exposition Center)	19,375,000	19,375,000	45,000	888,390
Public Building Corporation Leasehold Revenue Bonds Series 2002B (Baseball Stadium)	6,130,000	5,810,000	120,000	441,262
Public Building Corporation Leasehold Revenue Bonds Series 2002C (Jordan Valley Park)	5,470,000	5,110,000	108,000	384,272
Public Building Corporation Leasehold Revenue Bonds Series 2002D (Parking Garage)	8,190,000	8,190,000	-	378,510
Public Building Corporation Leasehold Revenue Bonds Series 2002E (Parking Garage)	850,000	585,000	135,000	21,640

DEBT SERVICE**2007-2008 REQUIREMENTS**

	Original Issue	Principal Outstanding July 1, 2007	Principal	Interest and Fees
LEASEHOLD REVENUE BONDS				
LCRA Series 2003 University Plaza	7,955,000	7,835,000	-	186,004
Public Building Corporation Leasehold Revenue Bonds Series 2004 Capital Improvement Projects	20,621,524	19,221,103	593,051	941,663
Public Building Corporation Leasehold Revenue Bonds Series 2004 Police Headquarters	3,344,198	3,201,579	95,348	151,974
Public Building Corporation Leasehold Revenue Bonds Series 2005B Cooper Tennis	2,800,000	2,740,000	105,000	108,040
LCRA SBDL Variable Rate Taxable Revenue Bonds	3,490,000	2,860,000	225,000	163,237
Public Building Corporation Leasehold Revenue Bonds Series 2001 Storm Water			425,000	736,276
Public Building Corporation Leasehold Revenue Bonds Series 2006 Airport- Mid Field Terminal Project	96,885,000	96,885,000	3,300,000	4,713,153
Public Building Corporation Leasehold Revenue Bonds Series 2005A Capital Improvement Projects	5,705,000	5,525,000	325,000	193,780
Public Building Corporation Leasehold Revenue Bonds Series 2006 Stormwater Improvements	6,520,000	6,420,000	100,000	272,538
TOTAL PUBLIC BUILDING CORPORATION	266,008,015	243,665,787	9,107,587	12,289,408
CERTIFICATES OF PARTICIPATION & CAPITAL LEASES				
Certificates of Participation Series 2000 (Law Enforcement Communication System Project)	7,430,000	3,150,000	840,000	182,905
Certificates of Participation Series 2001 (Partnership Industrial Park -West)	4,080,000	3,295,000	905,000	112,000
Police Car Lease Purchase	1,535,000	373,565	145,407	12,253
Certificates of Participation Series 2002 (ERP System)	3,315,000	1,035,000	510,000	43,485
TOTAL CERTIFICATES OF PARTICIPATION	16,360,000	7,853,565	2,400,407	350,643
ENTERPRISE FUND REVENUE BONDS				
State of Missouri State Revolving Fund Program Sewer Control, EIERA Series 2002B	43,625,000	42,470,000	790,000	2,207,325
State of Missouri State Revolving Fund Program Water Pollution Control, EIERA Series 1990, 1992, 1994, and 1998, (Sewerage System)	38,880,000	17,488,000	3,047,000	1,080,004
Public Building Corporation Leasehold Improvement Revenue Series 2004 Refunded 1995 (Golf)	4,650,000	1,532,326	444,918	68,569
Public Building Corporation Leasehold Improvement Revenue Series 2004 Refunded 1995 (Trunk Sewer)	1,975,000	650,856	188,993	29,124
Public Building Corporation Leasehold Public Building Corporation Leasehold Revenue Bonds Estimated Issue Date June 1, 2001 (Airport)	34,550,000	9,730,000	395,000	478,876
TOTAL REVENUE BONDS	123,680,000	71,871,182	4,865,911	3,863,898
SPECIAL OBLIGATION BONDS				
Missouri Finance Development Board- Heers Tower	3,100,000	3,100,000	-	-
City of Springfield Special Obligation Bonds Series 2007 - Crime Lab	2,700,000	2,700,000	-	50,000
City of Springfield Special Obligation Bonds Series 2007 Series - Heers Parking Garage	5,688,096	5,688,096	-	-
City of Springfield Special Obligation Bonds Series 2007 Series College Station Parking Garage	11,018,890	11,018,890	-	-
	22,506,986	22,506,986		50,000



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Human Resources Full-Time Equivalents



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**BUDGETED POSITIONS BY FUND
FISCAL YEARS 2006 - 2008**
FULL - TIME EQUIVALENTS

	2005-2006	2006-2007	2007-2008
	<u>Adopted</u>	<u>Adopted</u>	<u>Adopted</u>
<u>GENERAL OPERATING FUND DEPARTMENTS</u>			
Building Development Services	27.50	27.50	27.50
City Attorney	18.00	20.00	20.00
City Clerk	5.50	5.50	5.50
City Manager	8.50	8.50	8.50
Emergency Communications	61.00	61.00	61.00 *
Finance	32.00	34.00	35.00
Fire	217.00	217.00	217.00
Human Resources	14.50	14.50	14.50
Information Systems	23.00	23.00	23.00
Mayor's Commission	2.00	2.00	2.00
Municipal Court	25.00	25.00	25.00
Planning and Development	19.11	18.11	18.11
Police	304.00	304.00	305.00
Public Health Services	81.00	81.00	82.00
Public Information Office	14.00	14.50	14.50
Public Parks	92.00	92.70	92.70
Public Works	99.90	99.90	99.90
Public Works - Transportation	99.60	99.60	99.60
Total General Operating Funds	1,143.61	1,147.81	1,150.81
Average Annual Increase (Decrease) 2006-2008			0.31%
<u>GRANTS AND SPECIAL REVENUE FUNDS</u>			
Art Museum	13.38	13.38	13.38
Hotel/Motel Tax	0.50	0.50	0.50
Law Enforcement Sales Tax	86.00	90.00	90.00
SMSU	8.00	8.00	8.00
Parks Sales Tax	34.50	49.80	69.80
Grant Funds - Community Development	10.23	11.23	11.23
- Home Investment	3.50	2.50	2.50
- Planning	4.16	7.16	6.16
- Police	6.00	2.00	2.00
- Public Health	11.50	12.00	12.00
- WIC Program	8.00	10.00	10.00
- Workforce Development	45.00	49.00	52.00
Total Grants and Special Revenue Funds	230.77	255.57	277.57
<u>ENTERPRISE AND INTERNAL SERVICE FUNDS</u>			
Golf	18.00	18.00	18.00
Regional Airport	75.00	82.00	82.00
Sanitary Sewer System	84.30	84.30	84.30
Solid Waste	28.70	28.70	28.70
Printshop	2.00	2.00	2.00
Self-Insurance	4.00	4.00	4.00
Service Center	22.40	22.40	22.40
Total Enterprise & Internal Service Funds	234.40	241.40	241.40
TOTAL FULL-TIME EQUIVALENTS - ALL FUNDS	1,608.78	1,644.78	1,669.78
Average Annual Increase (Decrease) 2006-2008			1.9%

* Includes positions transferred from County as part of the 911 consolidation.



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GENERAL OPERATING BUDGET

General Fund
Public Parks Fund
Public Health Services Fund
Public Works Transportation Fund



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Budget Process

Four Stages of the Budget Process:

- (A) **Budget Preparation** – Departments are required to prepare their program budget requests for the upcoming fiscal year on forms supplied by the Director of Finance. The amounts requested must be justified in terms of the results to be achieved.
- (B) **Budget and Program Review** – The Director of Finance reviews all departments program budget requests and makes recommendations to the City Manager. The City Manager and the Director of Finance confer with departmental officials to determine appropriate budget levels after which the City Manager make the final budget decisions and submits his recommendation to the Mayor and the City Council.
- (C) **Consideration and Adoption** – 60 days prior to the City's fiscal year end, the City Manager's recommended budget is given to the Mayor and City Council for their review. They may make changes during this 60-day period and adopt the budget in accordance with provisions of the Charter.
- (D) **Execution of the Budget Plan** – This is the actual implementation of the budget as adopted by the Mayor and City Council.

Budget Transfers

The City Manager, with the approval of the council and upon the recommendation of the department or agency head, may transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within an office, department or agency. At the request of the City Manager, and within the last three months of the fiscal year, the council may by resolution transfer any unencumbered appropriation balance or portion thereof from one office, department or agency to another unless otherwise provided in this Charter. No transfer shall be made of specified fixed appropriations.

Budget Amendments

After the budget is adopted, council must approve any increase due to unanticipated expenses, grant revenue, or other revenue sources through two readings of the proposed amendment. An increase in the number of full time or part time positions allowed by a department must also be presented to council for approval.

Balanced Budget

To provide for a continuing level of government services and financial stability, the City of Springfield operates with a balanced operating budget that supports current expenditures with current revenues. Current revenues are defined as taxes, charges and fees, intergovernmental revenue, interest and other miscellaneous revenue. Current expenditures are defined as personnel, supplies, services, and general operating equipment. The operating budget does not include major capital equipment and capital improvement projects. These projects and cost are included in the six year Capital Improvement Program (CIP).

The City is committed to meeting this policy under normal circumstances. It is recognized, there may be times when it is advisable and necessary to use the cash reserves to balance the operating budget. If the annual budget requires the use of fund balance to match operating revenue and expenses, the amount of the fund balance used and the purpose for which it is appropriated shall be identified in the annual budget message.

**CITY OF SPRINGFIELD
BUDGET PREPARATION SCHEDULE
2007-2008 BUDGET**

ACTION STEPS	RESPONSIBILITY	SCHEDULE
Distribute Instructions for budget preparation and priority statements.	Finance Department	December 26, 2006 - December 29, 2006
Project Revenues and Debt Service Requirement	Finance Department	January 2007
Assist Department with Budget Preparation as Requested		January - February, 2007
Identify Strategic Areas for Budget Emphasis and Funding Recommendations	City Manager and City Council	January - March, 2007
Prepare and Submit Departmental Budgets and Priority Statements to Finance for Review - Make presentations to Management Team	City Departments, Boards and Agencies	January 30, 2007 - February 27, 2007
Meet with Departments to Discuss Budget Submissions and Prepare for Discussions with City Manager	Finance Department	February 12, 2007 - February 16, 2007
Meet with Departments to discuss each request	City Manager and Finance Department	February 26, 2007 - March 12, 2007
Study Submissions and Determine Priorities to Recommend for Funding	City Manager	March 2007 - April 2007
Provide Feedback to Departments related to the City Manager's Recommendations	City Manager and Finance Department	April 2007
Finalize Funding Recommendations	City Manager	April 2007
Finalize Budget Document and Message with Funding Recommendations	City Manager and Finance Department	April 2007
Present Budget Information to Employee Groups	City Manager	April 2007
Submit Budget to City Council	City Manager and Finance Department	April 2007
Hold Budget Workshops with City Council	City Manager and Finance Department	April 30, 2007 - 4:00 P.M. May 8, 2007 - 4:00 P.M. May 9, 2007 - 4:00 P.M.
Submit Budget Ordinance for Public Hearing and First Reading	City Manager and Finance Department	May 7, 2007 - 7:00 P.M. City Council Meeting
City Council to Discuss Public Hearing and Study Proposed Budget	City Manager and Finance Department	May 8, 2007 - 12:00 P.M.
Submit Budget Ordinance for Second Reading and Passage	City Manager and Finance Department	May 21, 2007 - 7:00 P.M. City Council Meeting

Budget Policies

- ❑ **Maintain an appropriate level of general government services funded from current resources.**
- ❑ **Maintain fund balance at a level of 8 - 10% of our operating funds budget.**
- ❑ **Provide competitive pay and benefits to our employees for our market and region.**
 - ▶ *Compare employee pay with those of the 11 cities surveyed and local salary information. Goal is to be competitive with the benchmarked cities and the local market. Generally, the City tries to keep salaries in the middle third of the benchmarked cities.*
 - ▶ *Maintain salaries and benefits in the range 73-77% of the operating funds budget.*
- ❑ **Provide a consistent level of service through appropriate use of non-recurring revenue.**
 - ▶ *Use of one time revenue should be limited to non-recurring expenses such as land acquisition or major capital purchases.*
- ❑ **Continue to look for new sources of revenue to improve the balance in the revenue structure.**
- ❑ **Maximize cost recovery through fees for municipal services, consistent with City Council direction.**
 - ▶ *Finance Department shall review charges for municipal services annually.*
 - ▶ *Efficiencies achieved in delivery of services shall be accompanied by a reduction in the fee.*
 - ▶ *Recommended fee increases shall be subject to an annual cap.*
- ❑ **Seek the best level of service at the least cost through City forces, private sector contracts and not for profit contracts.**
 - ▶ *Contracts for private sector services will include a formal bid process to insure an equal opportunity for the City and private sector to submit competitive bids.*
 - ▶ *Contracts with not for profit organizations will be evaluated based on how well the services meet a City priority or community need that is not otherwise being met.*
 - ▶ *All contracts will include specific services to be provided and will require a financial and services accomplishments report.*

“Working With the Community” - Action Plan for the 2007-2008 Budget Year

Commitment to Public Safety

- ❑ Replacement of fleet vehicles for Police and Fire Departments.
- ❑ Fire Department physical fitness wellness initiative.

Economic Development and Quality of Life

- ❑ Partnership for Prosperity Campaign.
- ❑ Continue to identify opportunities for public/private partnerships.
- ❑ New retail development planned for center city.

Services to the Community

- ❑ Additional funding for School-Park Program.
- ❑ Staff for new Parks Department facilities opening in 2007/2008.

Maintains operating reserves

- ❑ Add \$1 million to General Fund operating reserve to replace funds utilized for non-reimbursable ice storm expenses.



Overview of General Operating Budget

2007-2008 Adopted Budget	\$ 100,836,000
2006-2007 Adopted Budget	\$ 93,740,000
Increase 7.6%	<u>\$ 7,096,000</u>

Resources

Increase in Sales and Use Tax

Increase in PILOTS and Other Taxes

Decrease in Fines and Charges

Increase in Ingovert and Other Revenue

Increase in Revenue from Other Financing Sources

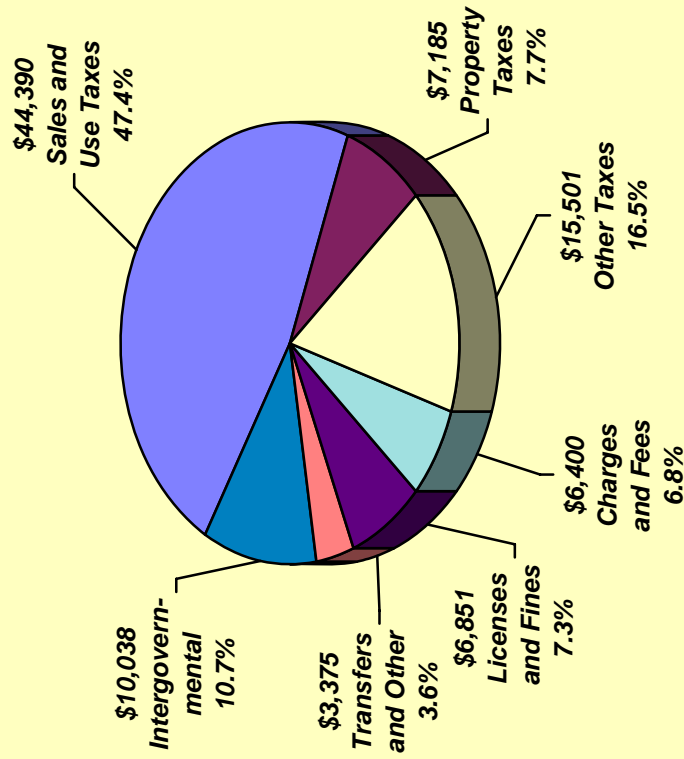
\$ 2,310,000	2.5%	Full-year funding of merit pay increases	\$ 1,171,000
1,030,000	1.1%	Proposed Pay Plan Improvements	600,000
(219,000)	-0.2%	Increase in Retirement Plan Contributions and health insurance	520,000
2,015,000	2.1%	Increase in Worker's Comp Contributions	333,000
<u>1,960,000</u>	2.1%	Department Priorities	400,000
		E-911 Shortfall	1,304,000
<u>\$7,096,000</u>	<u>7.6%</u>	Increase in Transfers To Other Funds	1,400,000
		Increase to General Fund Reserves	1,000,000
		Parks, Health, & Transportation Fund Increases	<u>368,000</u>
			<u>\$ 7,096,000</u>



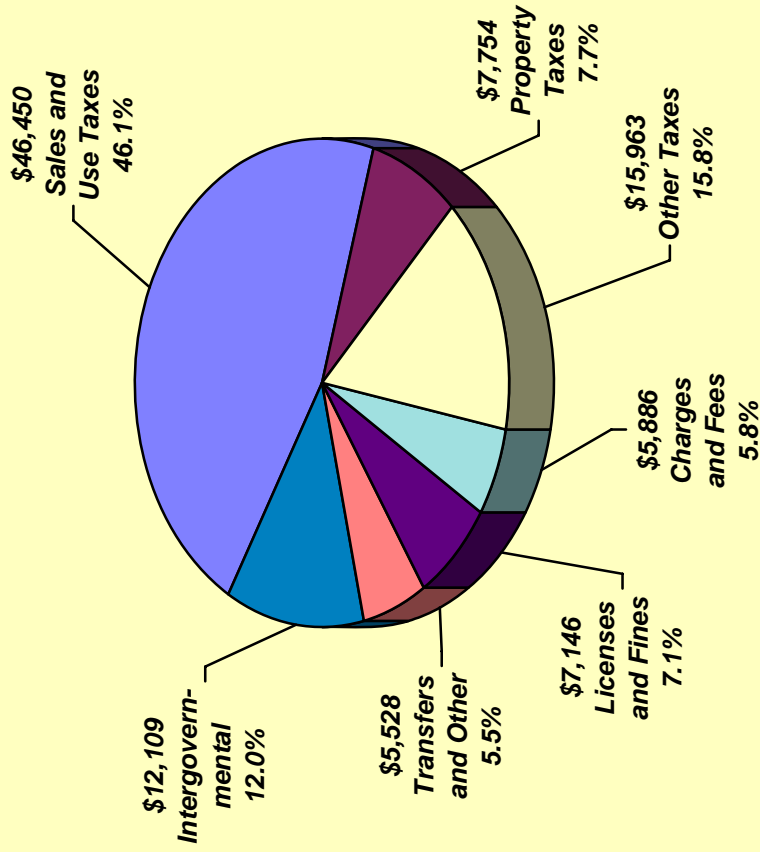
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City of Springfield, Missouri - 2007-2008 Annual Operating Budget

2006-2007 OPERATING BUDGET RESOURCES - \$93,740,000 General Operating Funds



2007-2008 OPERATING BUDGET RESOURCES - \$100,836,000 General Operating Funds



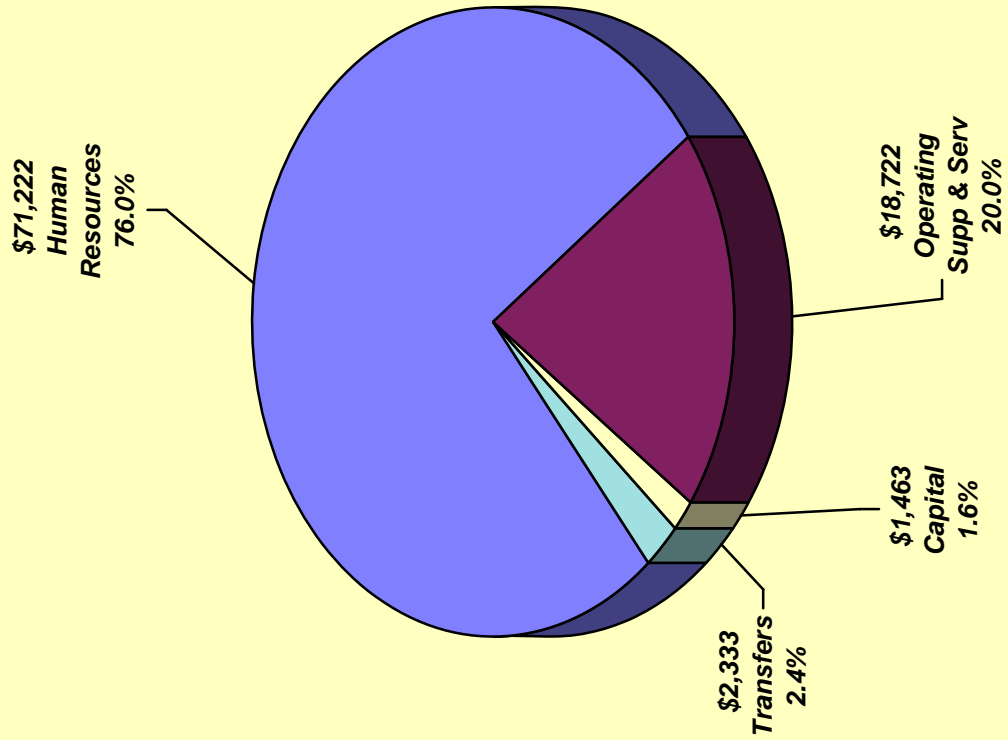
All amounts are expressed in thousands. Intrafund transfers have been eliminated.



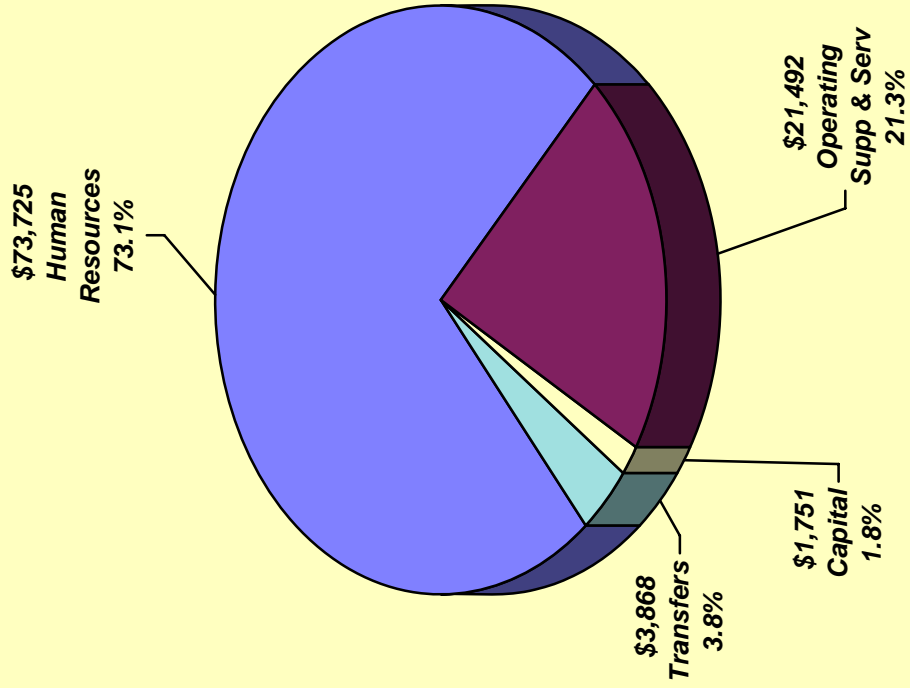
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City of Springfield, Missouri - 2007-2008 Annual Operating Budget

2006-2007 OPERATING BUDGET APPROPRIATIONS - \$93,740,000 General Operating Funds



2007-2008 OPERATING BUDGET APPROPRIATIONS - \$100,836,000 General Operating Funds



All amounts are expressed in thousands. Intrafund transfers have been eliminated.



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**PERFORMANCE
MEASUREMENTS
AND
BENCHMARKS**



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TAXING EFFORT

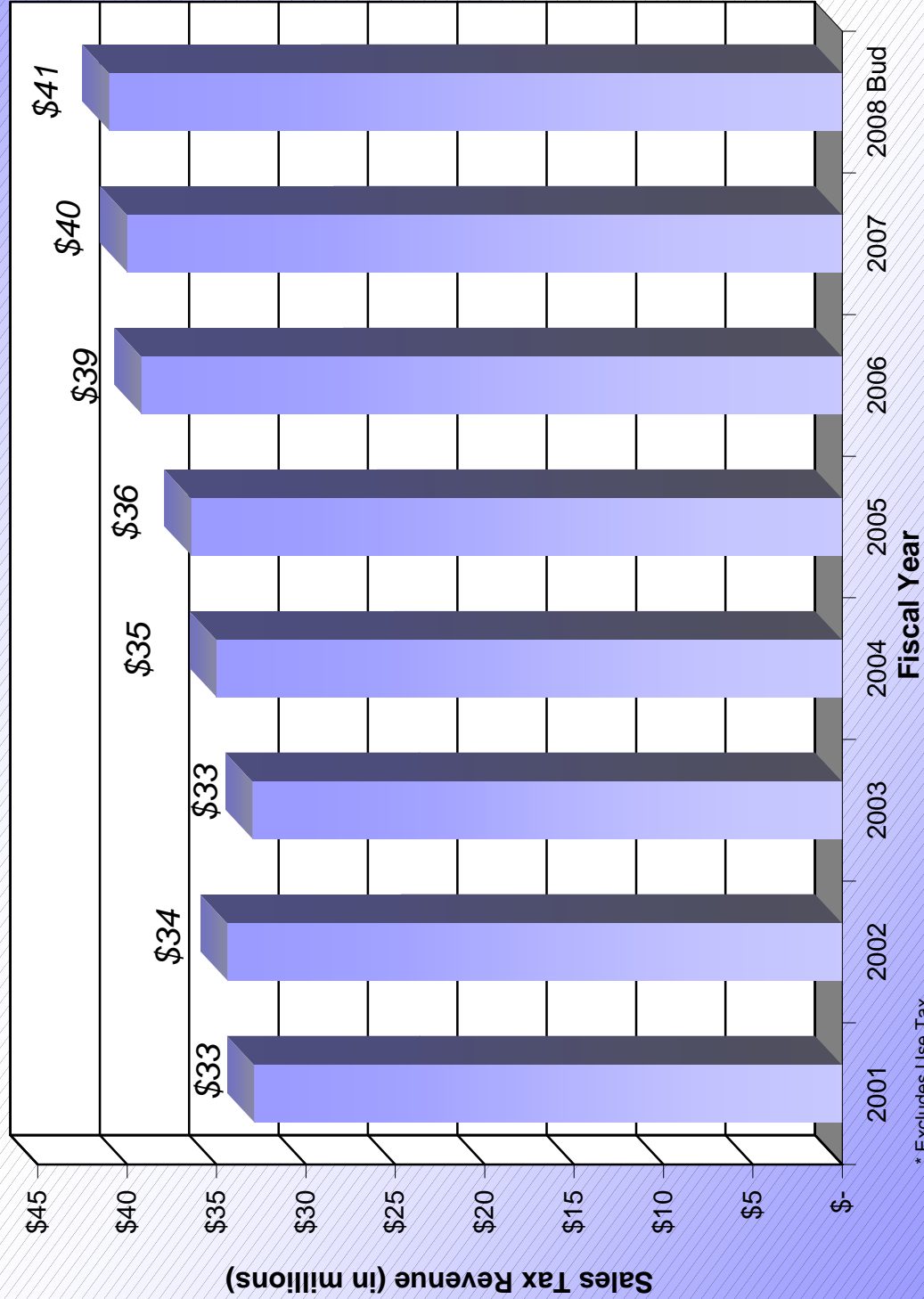


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City of Springfield, Missouri - 2007-2008 Annual Operating Budget

GENERAL FUND SALES TAX RECEIPTS*

Fiscal Years 2001 - 2008



* Excludes Use Tax

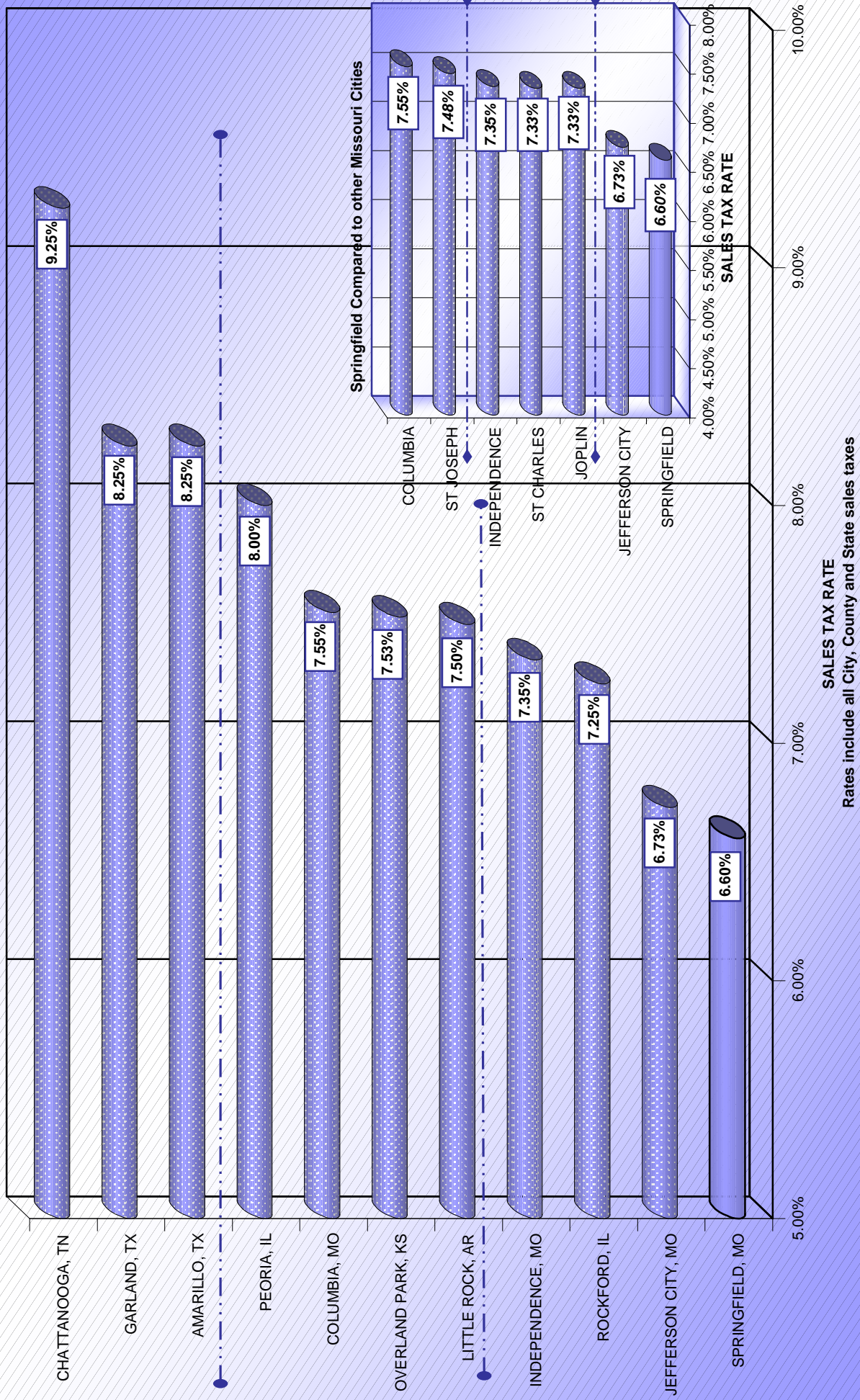


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Total Sales Tax Rate
The data for this measurement shows the sum of each city's City, County and State sales tax.

City of Springfield, Missouri - 2007-2008 Annual Operating Budget

TOTAL SALES TAX RATE
Springfield Compared to other Cities





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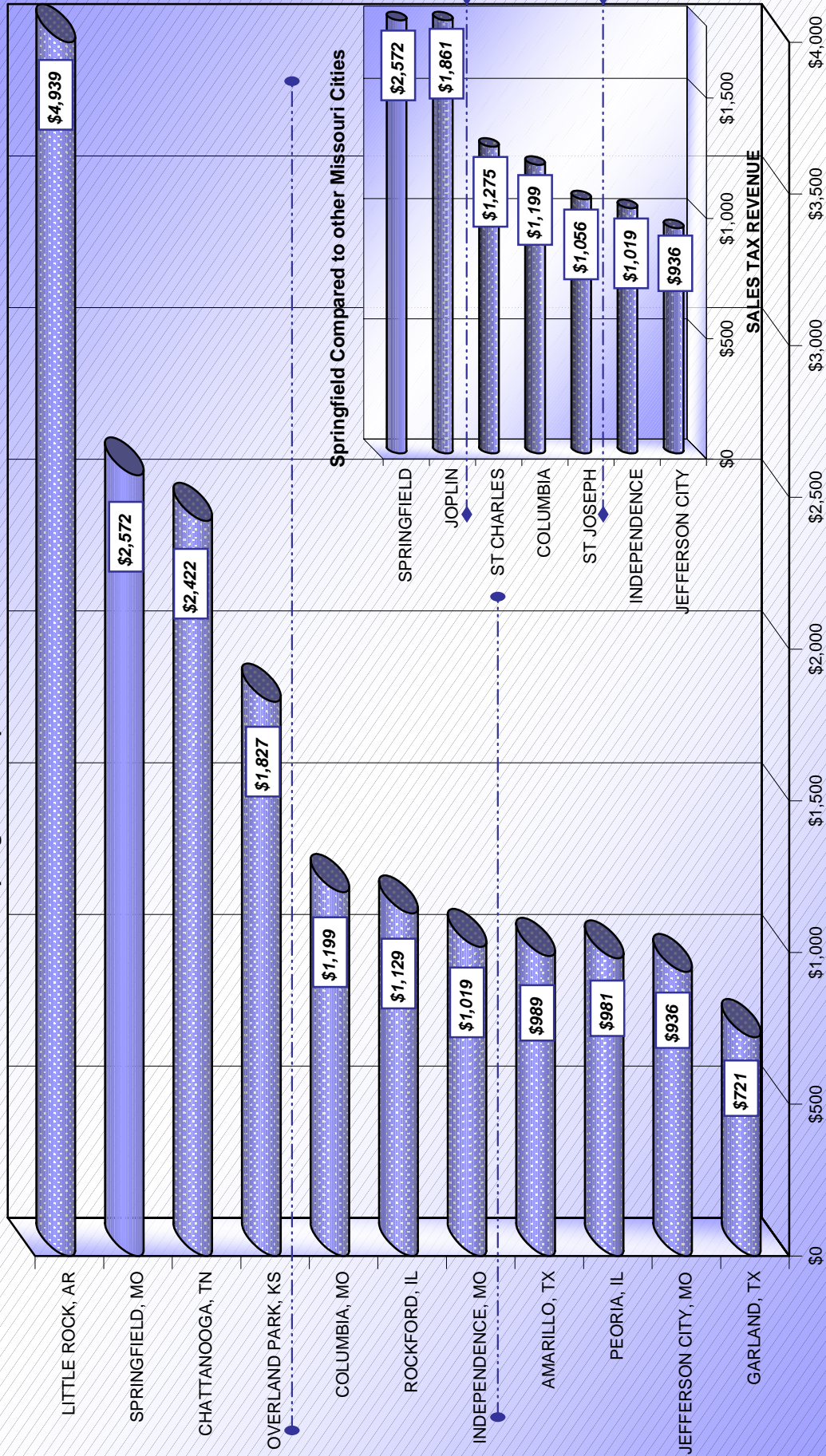
Sales Tax Revenue per Capita

This measurement shows the total sales tax revenue collected by each city divided by that City's population. Springfield's Law Enforcement, Parks Improvements, Use, Cigarette and Franchise taxes are excluded.

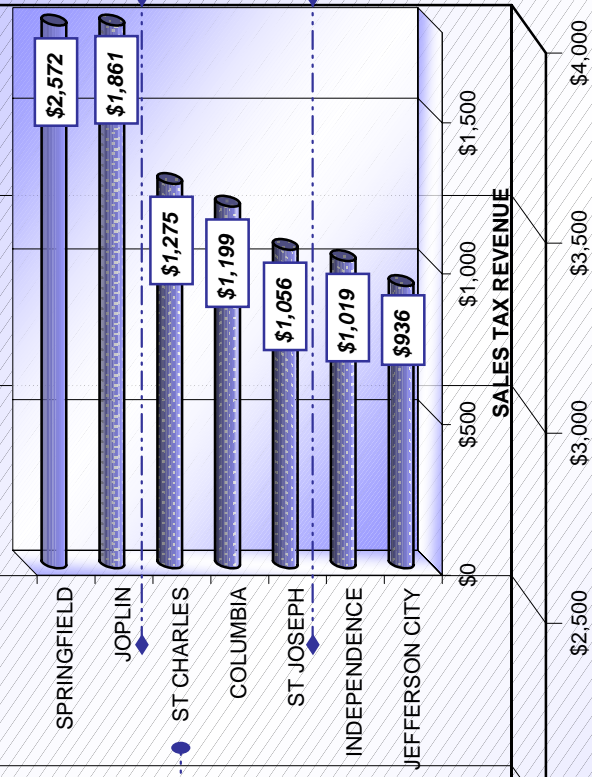
City of Springfield, Missouri - 2007-2008 Annual Operating Budget

SALES TAX REVENUE PER CAPITA

Springfield Compared to other Cities



Springfield Compared to other Missouri Cities



SALES TAX REVENUE

Revenues include all City, County and State sales taxes



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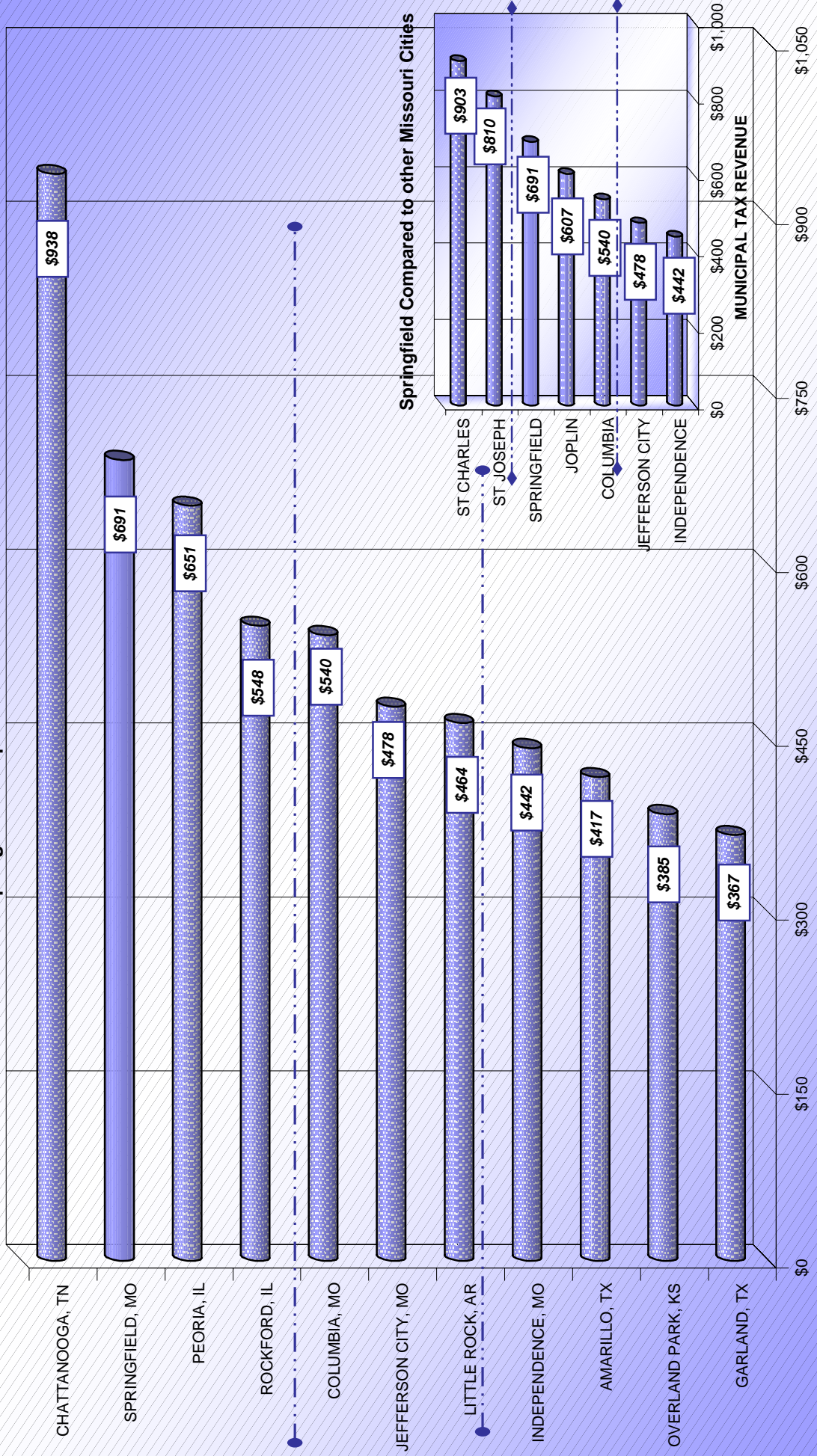
Total Municipal Tax Revenue per Capita

Total Tax Revenue from all funds for each city is divided by that City's population.

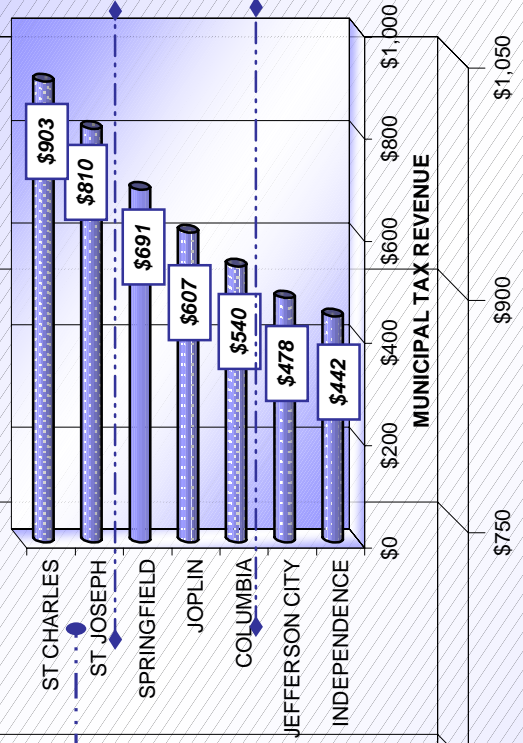
City of Springfield, Missouri - 2007-2008 Annual Operating Budget

TOTAL MUNICIPAL TAX REVENUE PER CAPITA

Springfield Compared to other Cities



Springfield Compared to other Missouri Cities



MUNICIPAL TAX REVENUE

Revenues include the municipal portion of all sales, use, property, franchise and cigarette taxes



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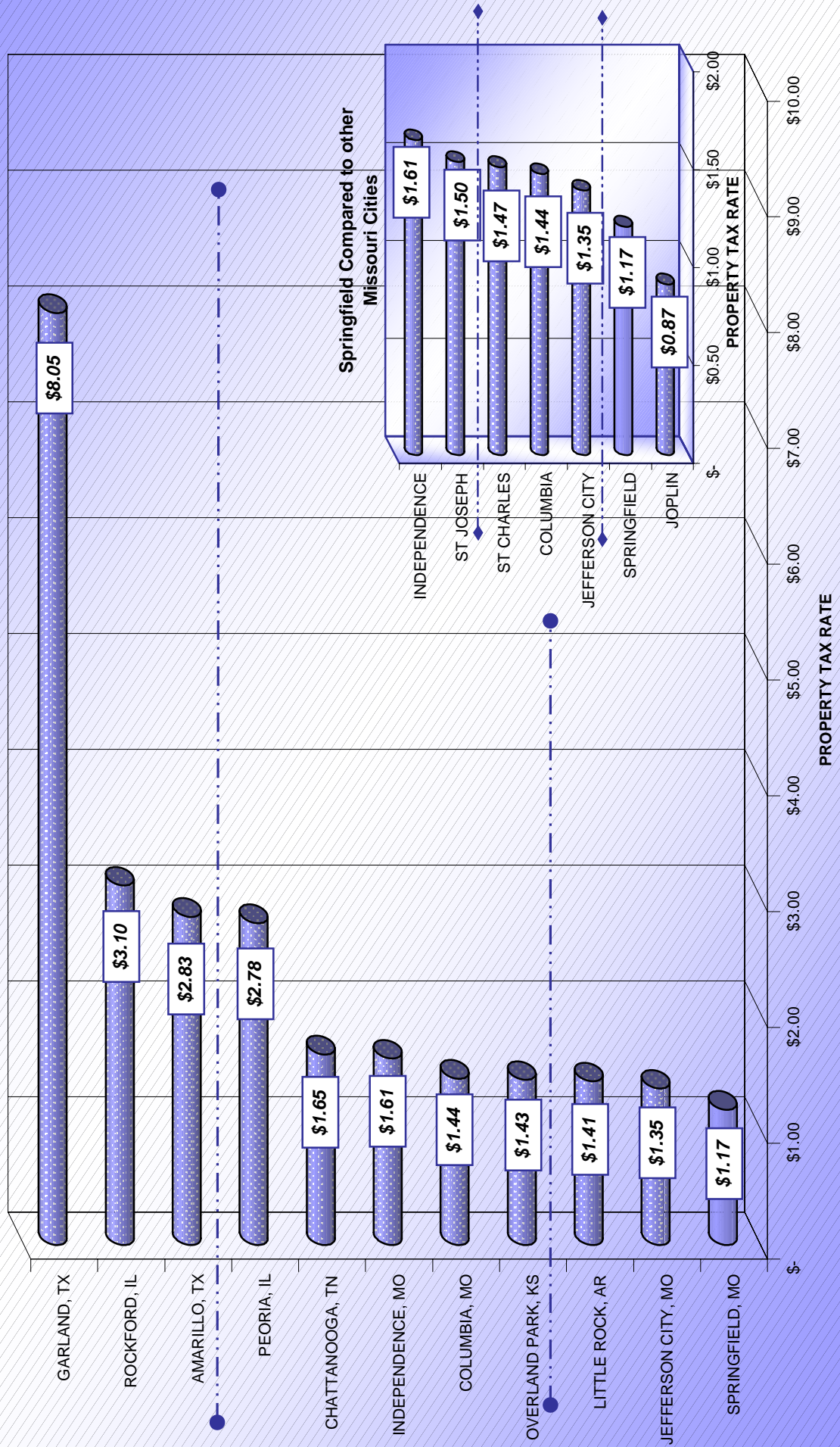
Effective Total Property Tax Rate per \$100 Actual Value

This measure creates a standardized rate that factors in the various property assessment ratios used by each city. $\text{Effective Total Property Tax Rate} = \text{Total Property Tax Rate} \times \text{Total Assessed Property Value} \div \text{Total Estimated Actual Property Value}$.

City of Springfield, Missouri - 2007-2008 Annual Operating Budget

EFFECTIVE TOTAL PROPERTY TAX RATE PER \$100 ACTUAL VALUE

Springfield Compared to other Cities



Source: Each city's 2005 or 2006 fiscal year Comprehensive Annual Financial Report.



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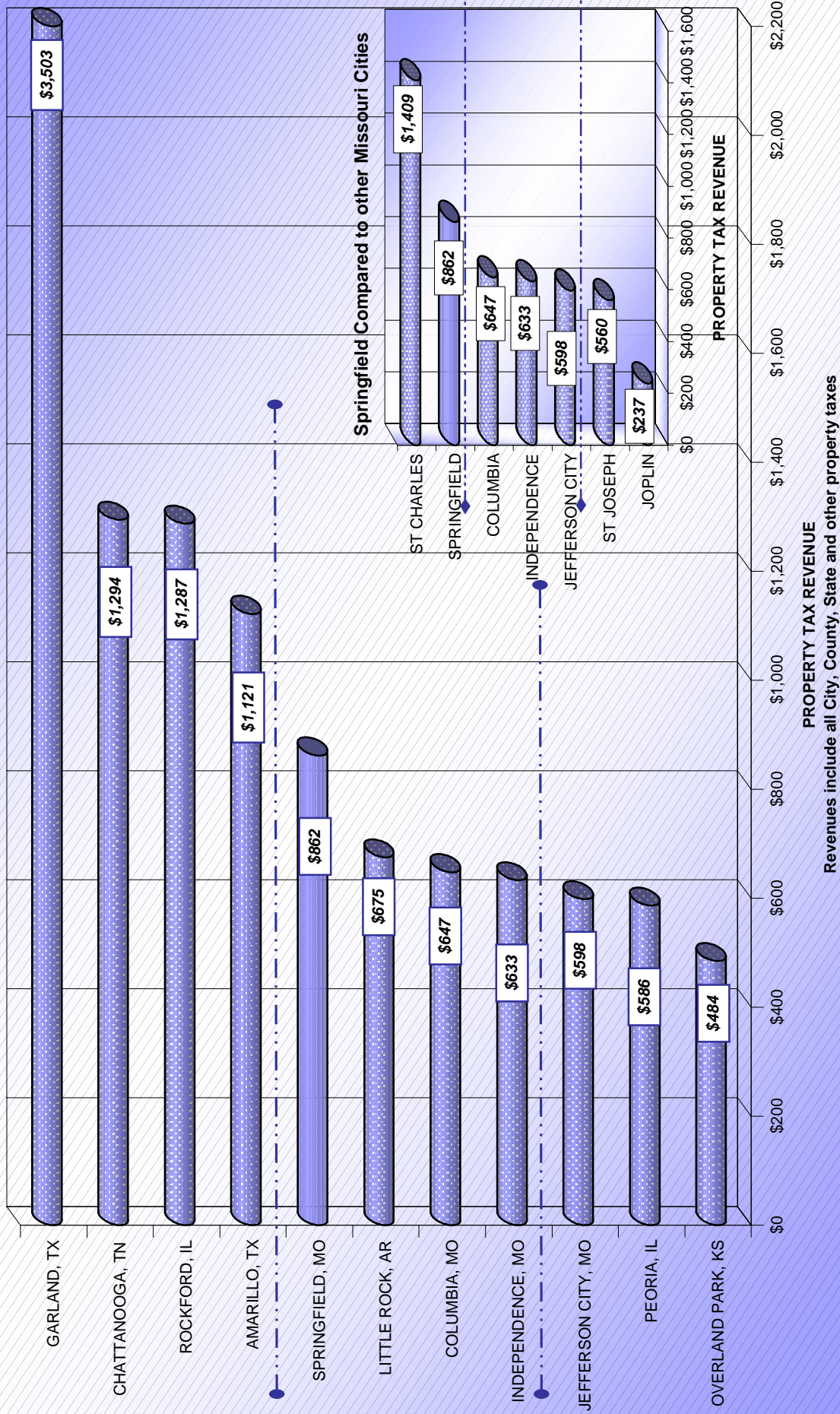
Total Property Tax Revenue per Capita

This measure divides the Total Property Tax Revenue for each city by that City's population.

City of Springfield, Missouri - 2007-2008 Annual Operating Budget

TOTAL PROPERTY TAX REVENUE PER CAPITA

Springfield Compared to other Cities





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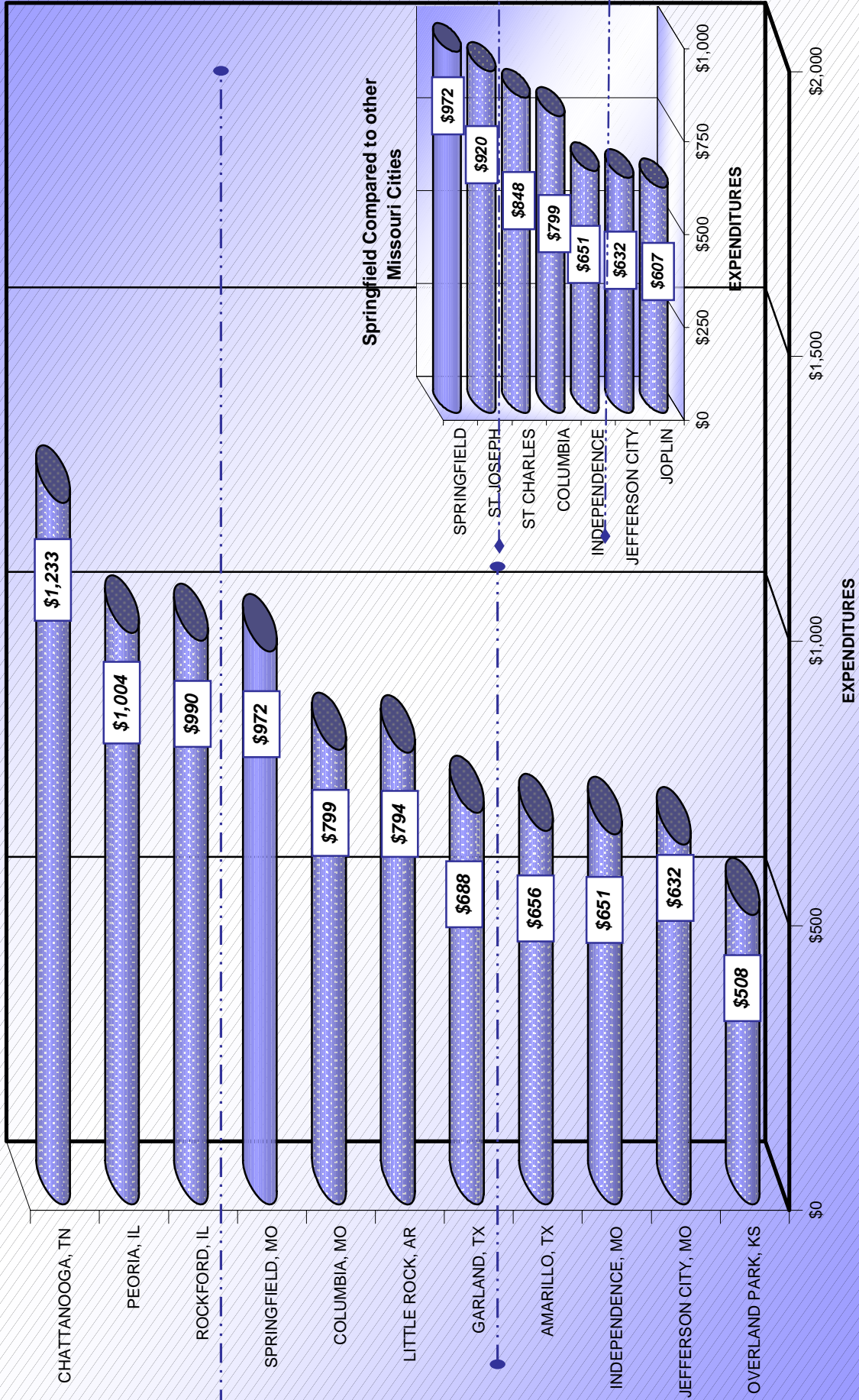
General Governmental Expenditures per Capita

General Governmental Expenditures consist of General, Special Revenue and Debt Service Fund expenditures. Transfers have been eliminated. The total expenditures for these funds from each city is divided by that City's population.

City of Springfield, Missouri - 2007-2008 Annual Operating Budget

GENERAL GOVERNMENTAL EXPENDITURES PER CAPITA

Springfield Compared to other Cities



Source: Each city's 2005 or 2006 fiscal year Comprehensive Annual Financial Report.



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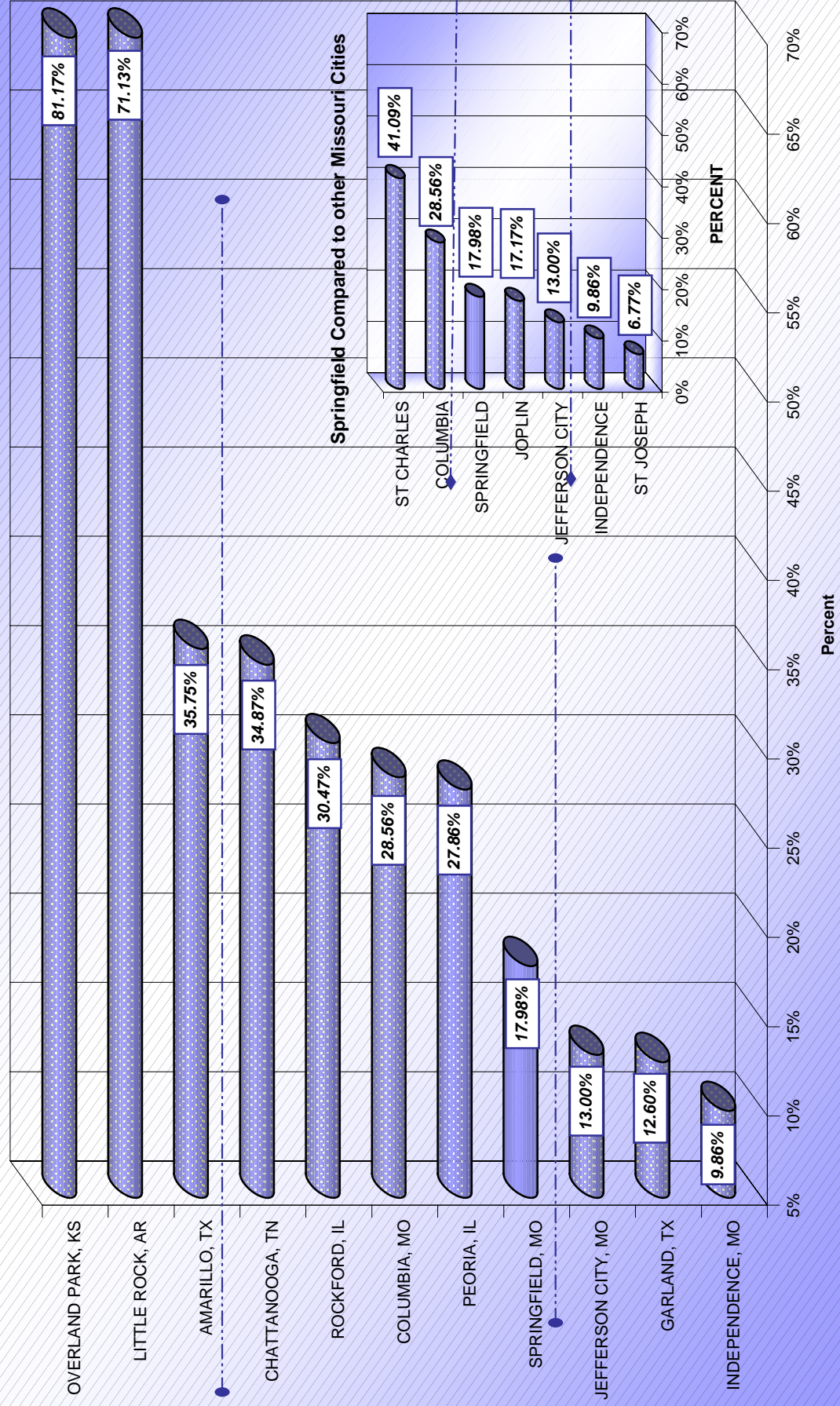
Ratio of Unreserved General Fund Balance
to General Fund Expenditures

The total unreserved General Fund balance is divided by the General Fund expenditures.
Only General Fund information is used.

City of Springfield, Missouri - 2007-2008 Annual Operating Budget

**RATIO OF UNRESERVED GENERAL FUND BALANCE
TO GENERAL FUND EXPENDITURE**

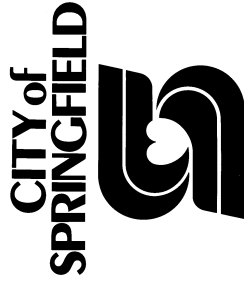
Springfield Compared to other Cities





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EMPLOYEE DATA

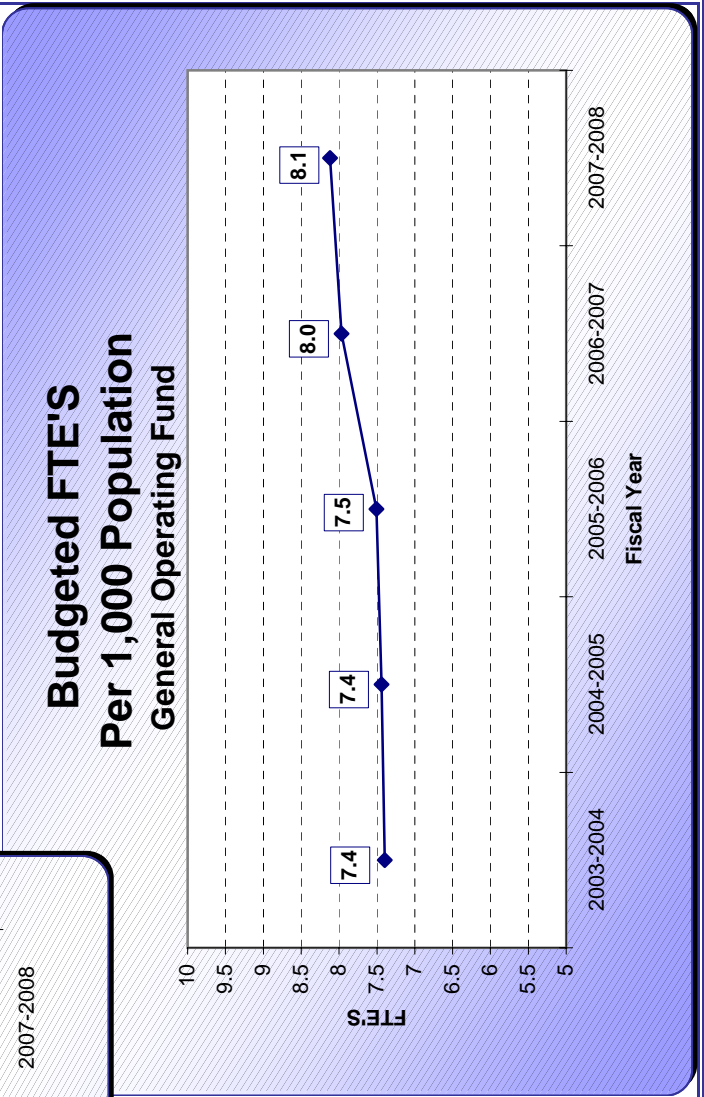
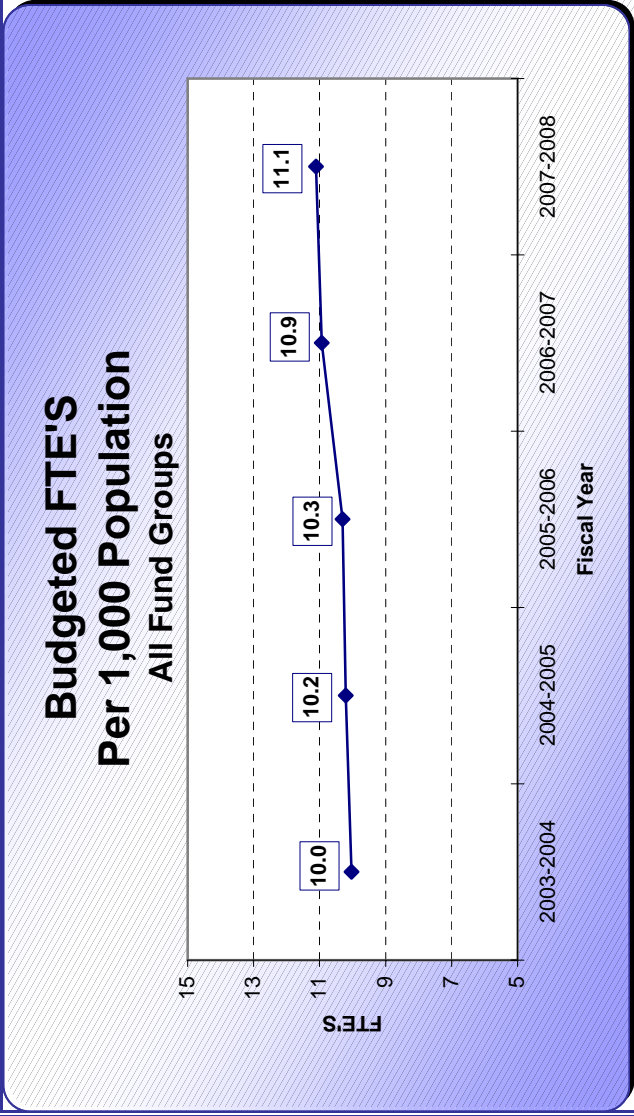


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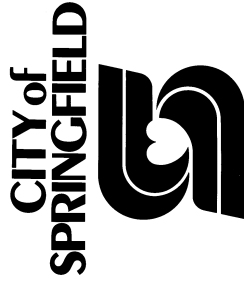
BUDGETED FTE'S PER 1,000 POPULATION AND BUDGETED FTE'S PER 1,000 POPULATION GENERAL FUND

These measurements show Springfield's total budgeted FTE'S (full time positions) per 1,000 population and Springfield's budgeted FTE'S General Fund Only per 1,000 population. The calculation is: $\text{FTE'S or General Fund Only FTE's} \div \text{Population} \times 1,000$. 07-08 Budgeted FTE'S are also included in each measurement.

City of Springfield, Missouri - 2007-2008 Annual Operating Budget



Excludes FTE's from voter approved Law Enforcement Sales Tax.



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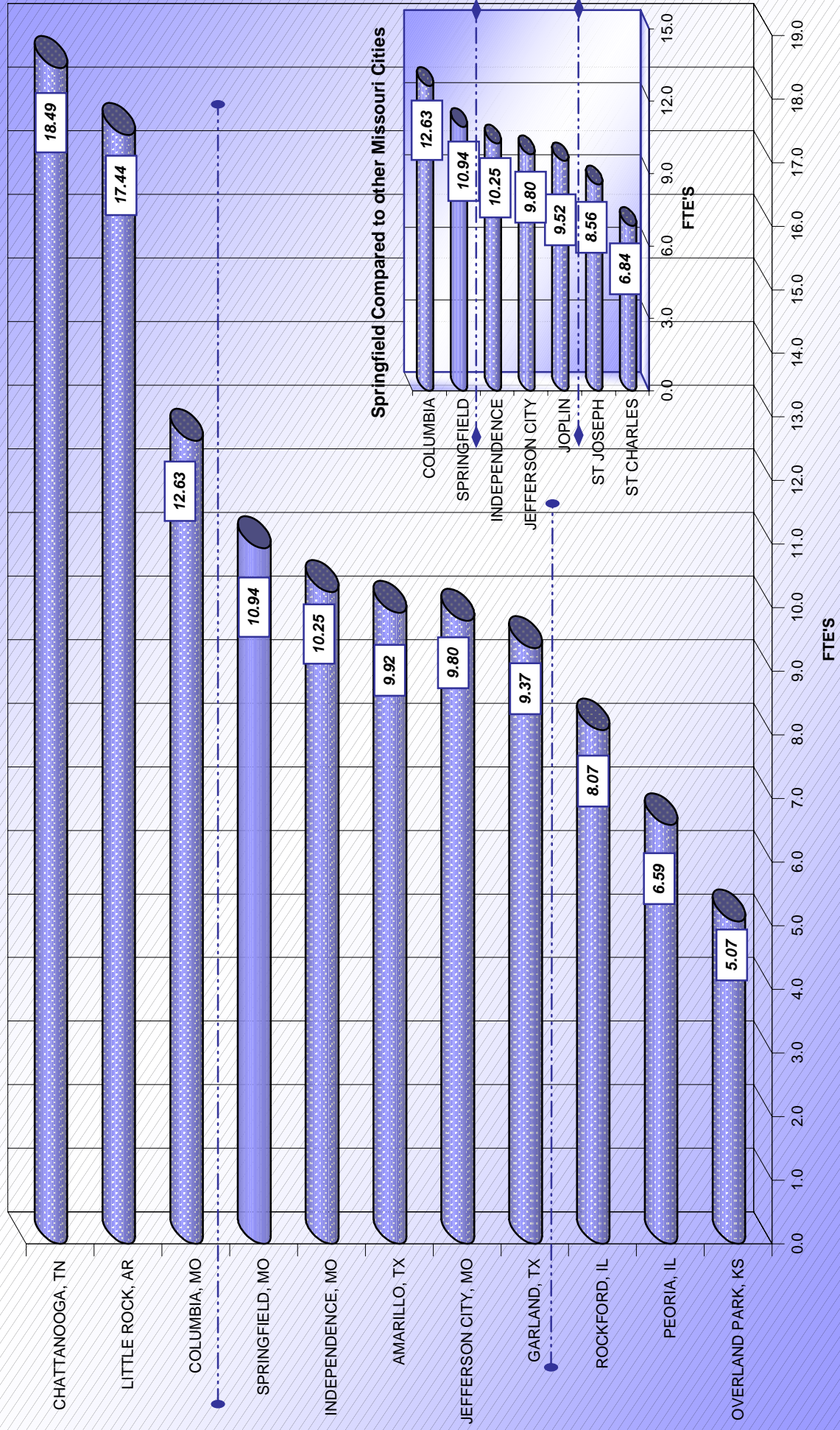
FTE'S PER 1,000 POPULATION

This measurement shows each city's total Full Time Equivalents (funded full time positions) per 1,000 population. The calculation is: each city's FTE'S ÷ that City's Population x 1,000.

City of Springfield, Missouri - 2007-2008 Annual Operating Budget

BUDGETED FTE'S PER 1,000 POPULATION

Springfield Compared to other Cities





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PUBLIC SAFETY

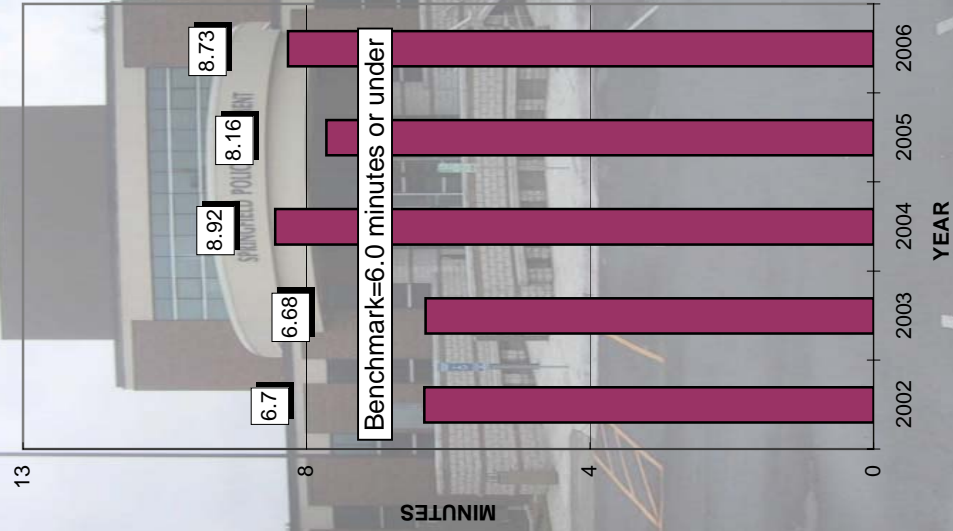


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City of Springfield, Missouri - 2007-2008 Annual Operating Budget

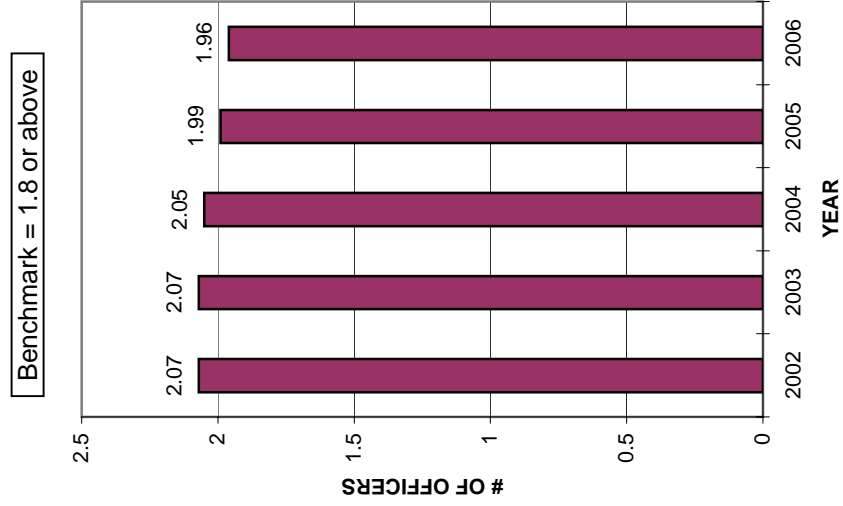
AVERAGE PRIORITY 1 CFS RESPONSE TIME

Police Department
Benchmark

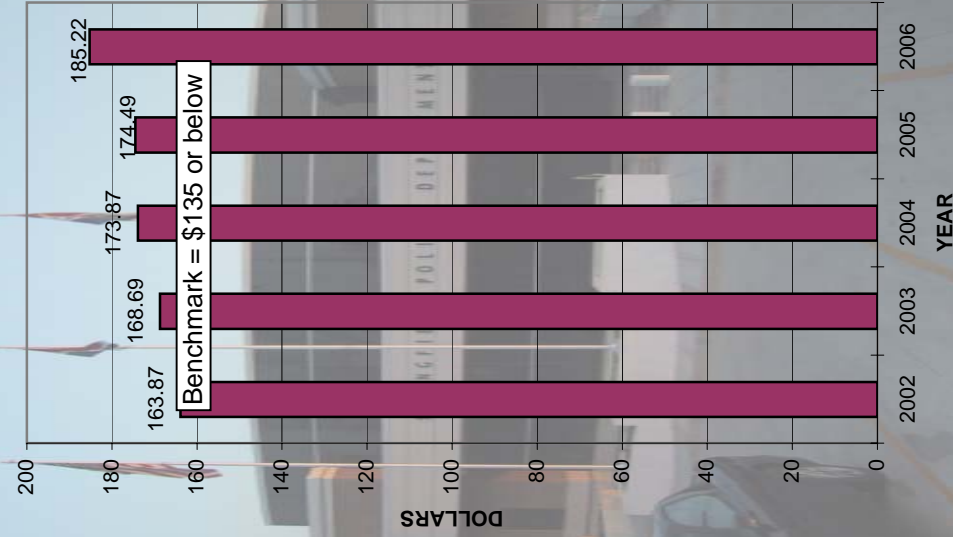


SWORN OFFICERS PER 1,000 POPULATION

Police Department
Benchmark



COST PER CAPITA Police Department Benchmark



Source: Police Data Sheet 2002-2006. Benchmark Report 2006.
Beginning in 2004, CFS Response Time includes initiate time not previously included.

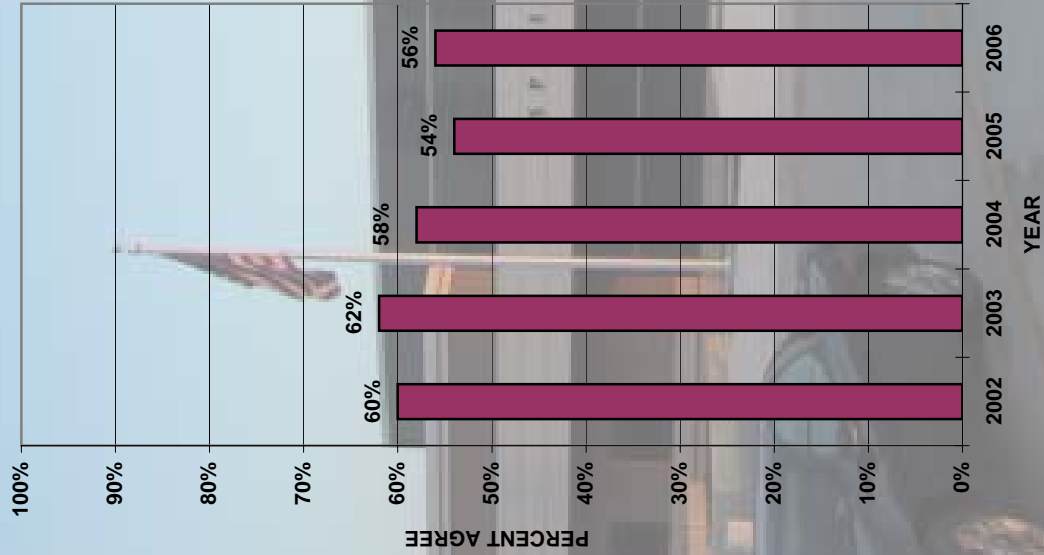
Source: Police Department Traffic Summary Reports and Municipal Court Records.



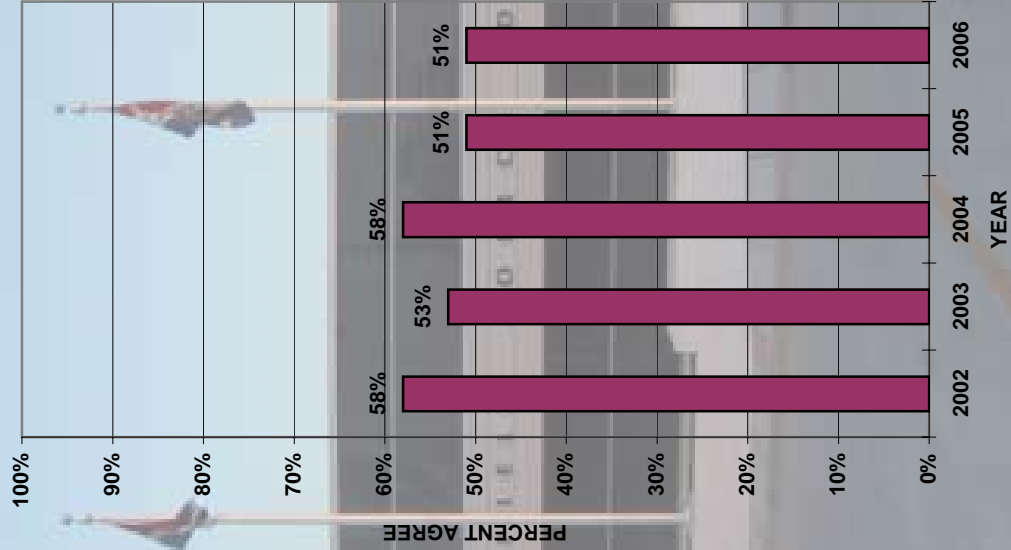
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City of Springfield, Missouri - 2007-2008 Annual Operating Budget

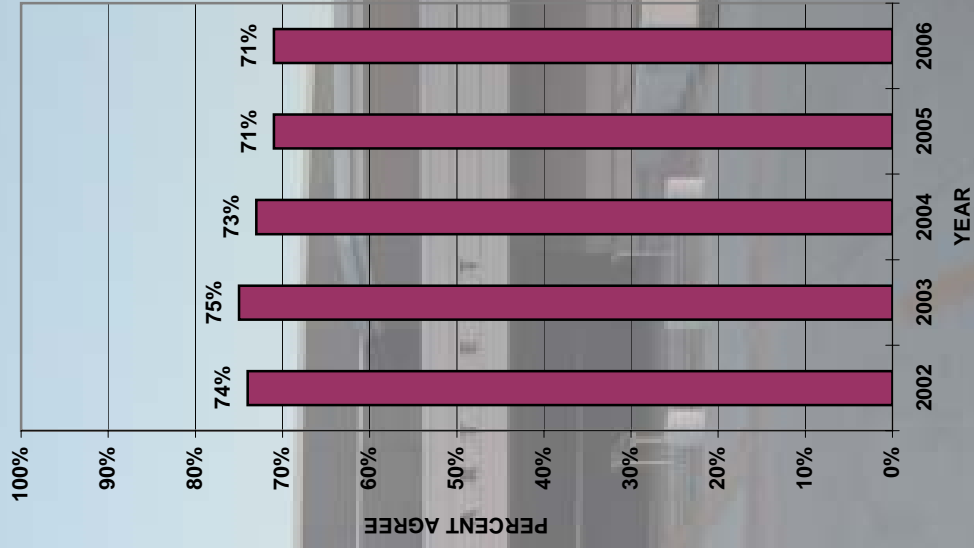
I FEEL SATISFIED WITH THE POLICE HANDLING OF THE INCIDENT



THE AMOUNT OF TIME IT TOOK POLICE TO RESPOND TO MY CALL WAS SATISFACTORY



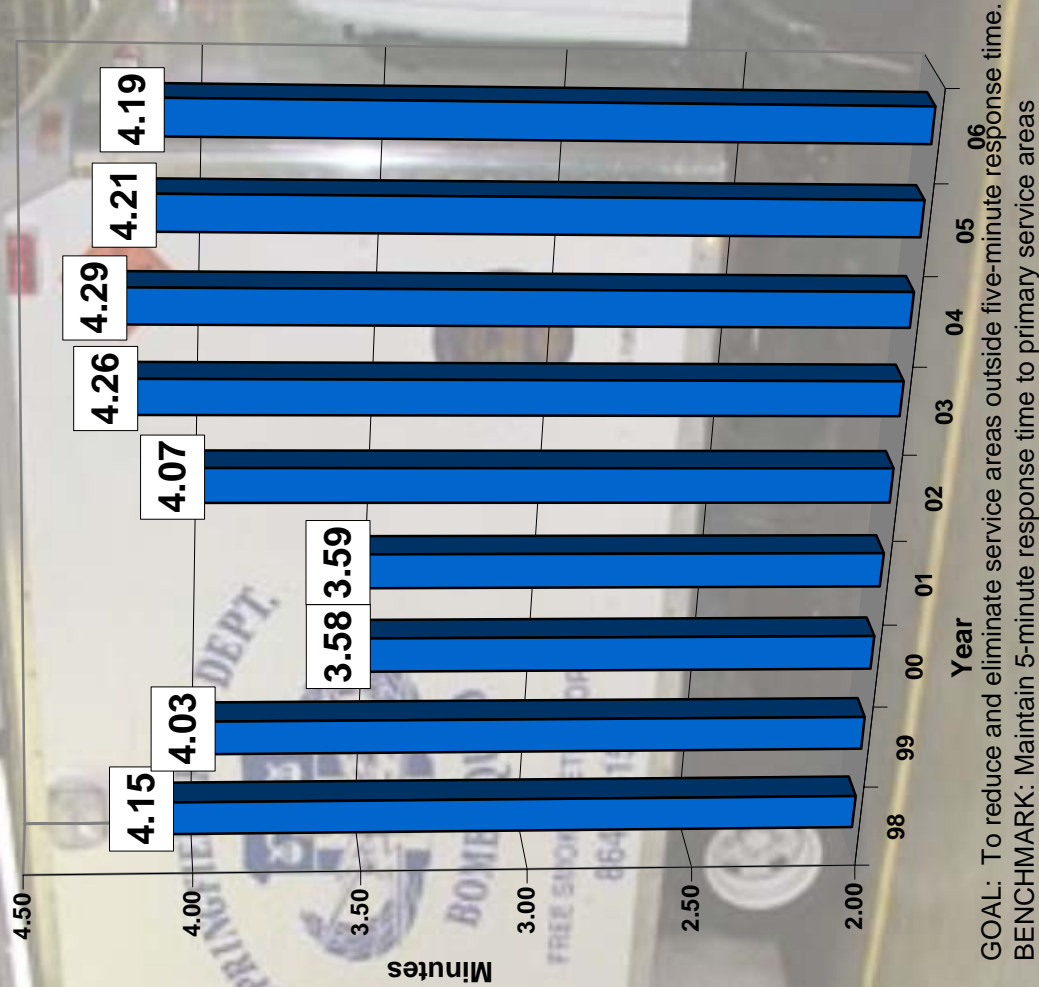
DEPARTMENT REPS WERE FAIR, COURTEOUS, AND RESPECTFUL IN THEIR DEALINGS WITH ME DURING THE LAST 12 MONTHS





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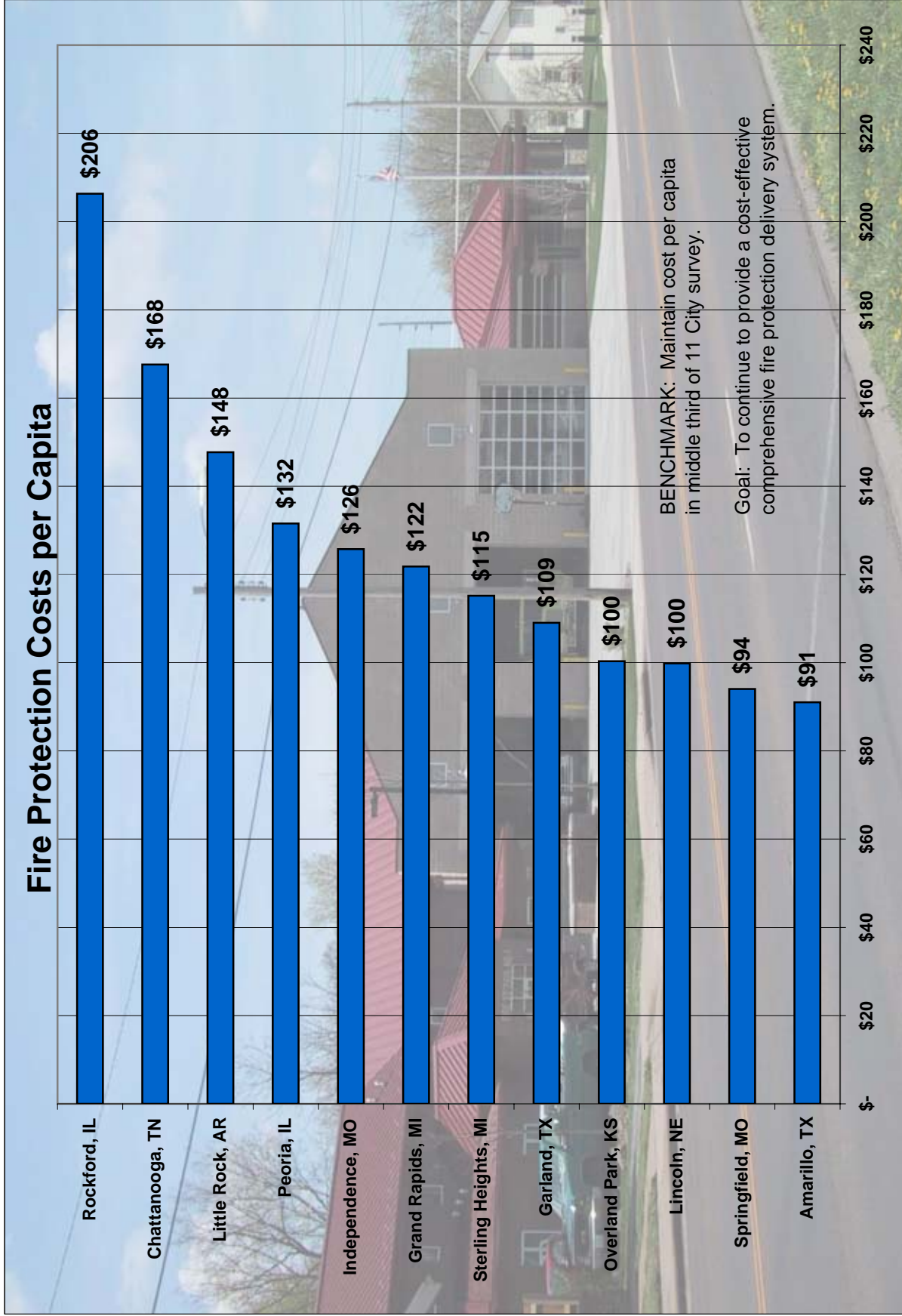
Response Time





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City of Springfield, Missouri - 2007-2008 Annual Operating Budget

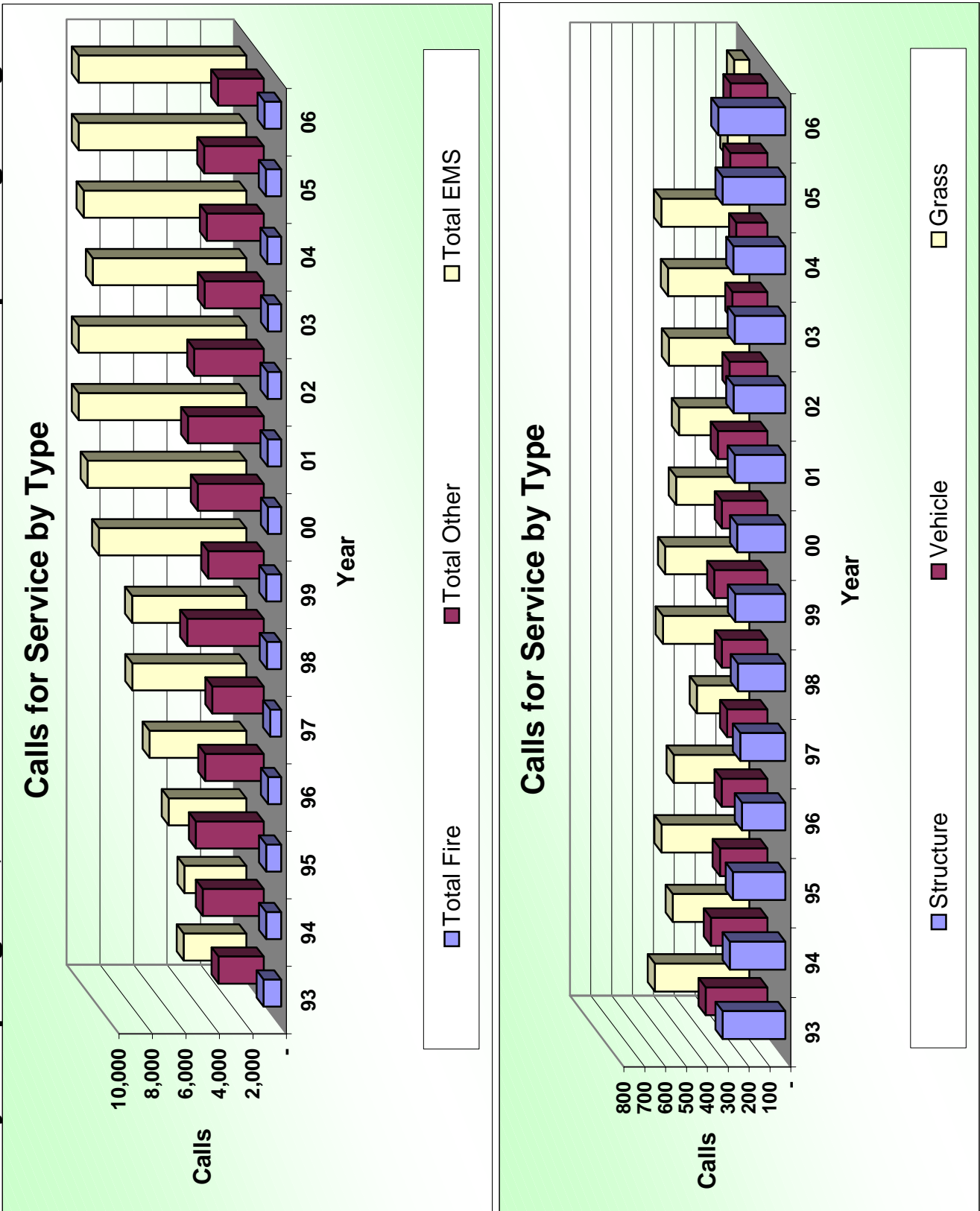


Source: 2006 Annual Report



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City of Springfield, Missouri - 2007-2008 Annual Operating Budget



Source: 2006 Annual Report



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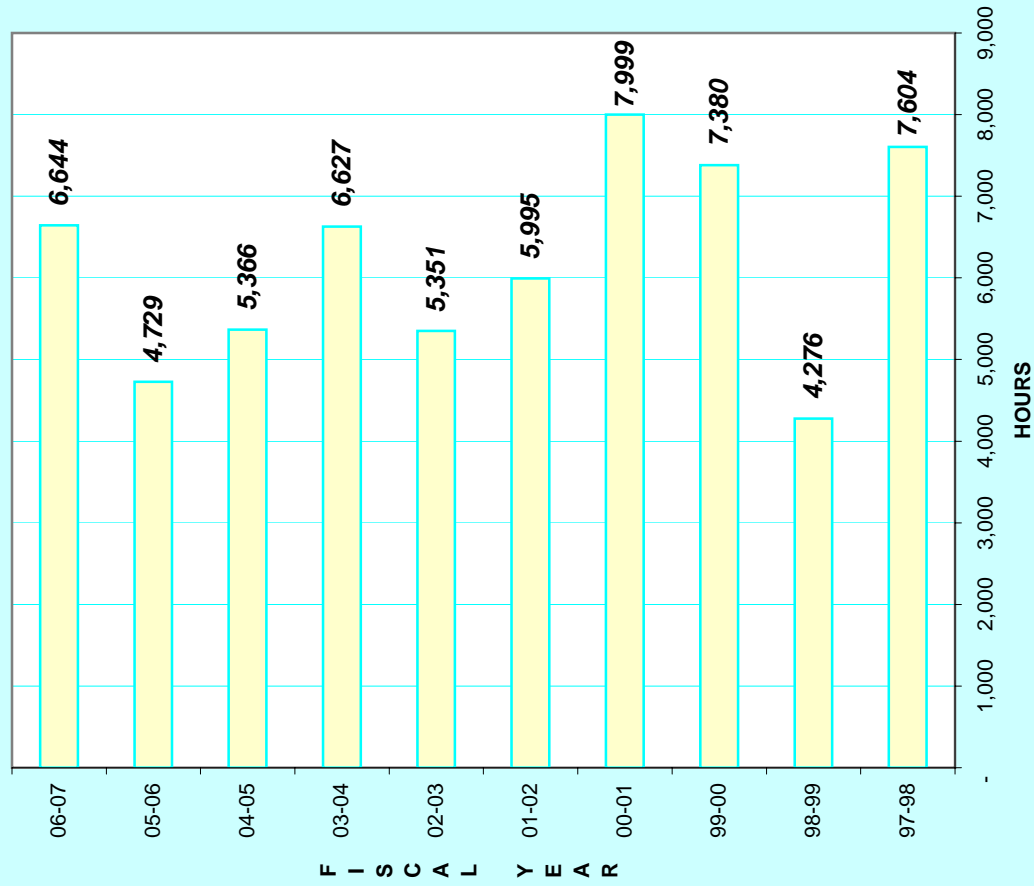
WORKERS' COMPENSATION



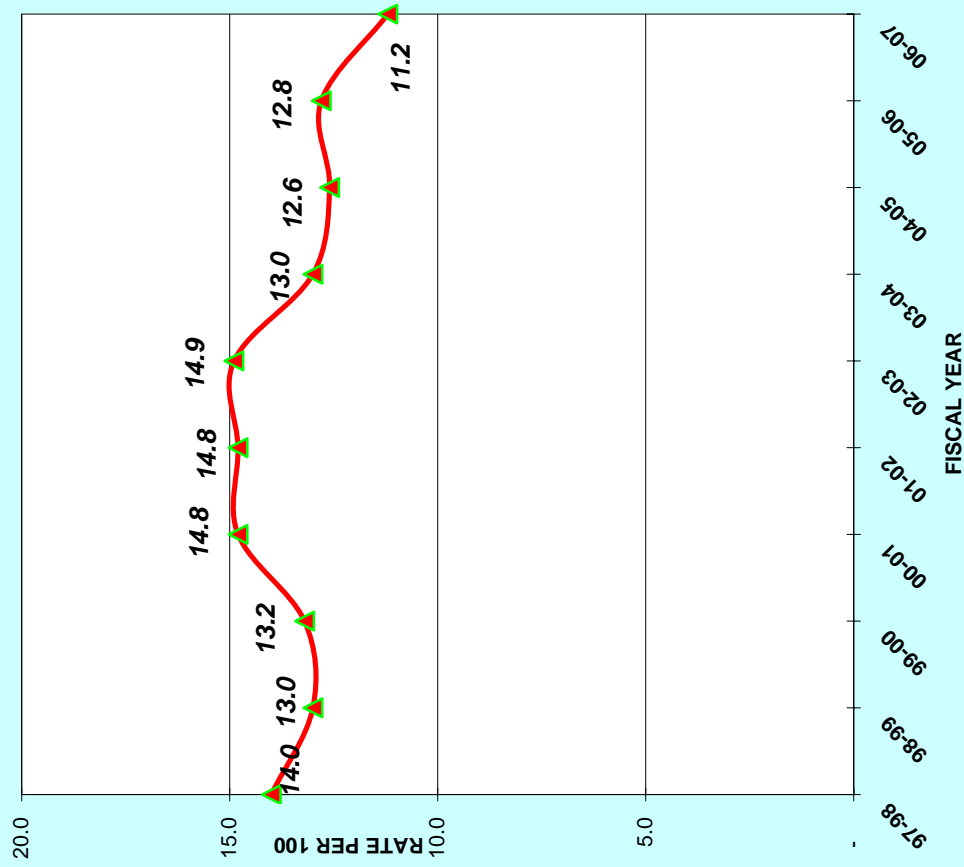
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City of Springfield, Missouri - 2007-2008 Annual Operating Budget

**WORKERS' COMPENSATION HOURS
OF LOSS TIME**



**WORKERS' COMPENSATION INCIDENCE
RATE PER 100 EMPLOYEES**

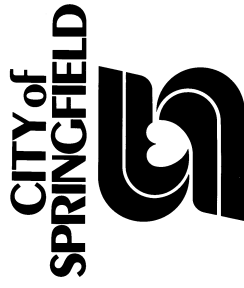


Note: NSC incidence rate is for an average municipality and is no longer available.



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GENERAL OBLIGATION DEBT



"Working with the Community"

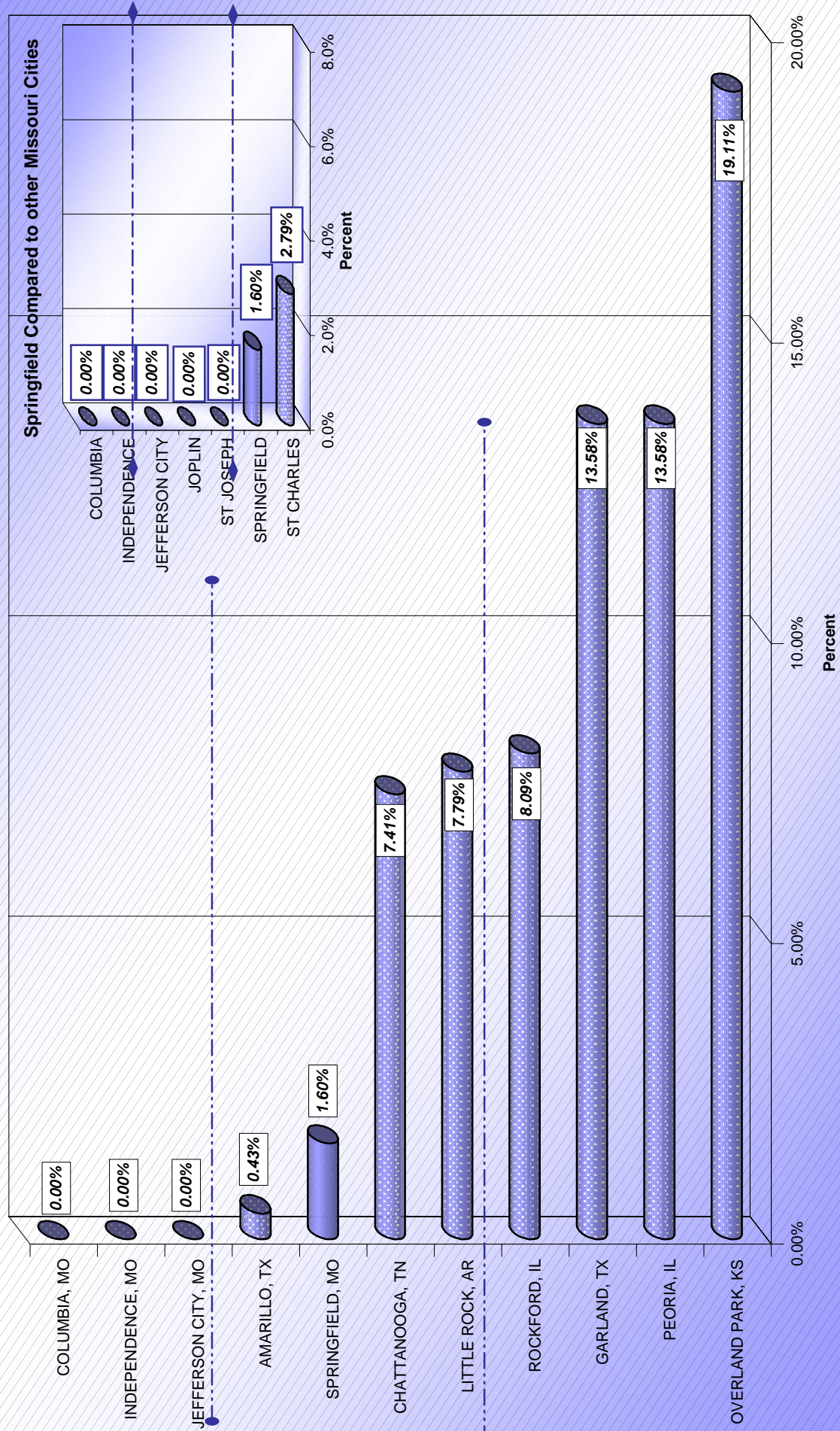
Ratio of General Obligation Bond Debt Service to General Governmental Expenditures

Each city's G.O. Bond Debt Service is divided by that city's General Governmental Expenditures. General Governmental Expenditures include those from General, Special Revenue and Debt Service Funds.

City of Springfield, Missouri - 2007-2008 Annual Operating Budget

RATIO OF G.O. BOND DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES

Springfield Compared to other Cities



Source: Each city's 2005 or 2006 fiscal year Comprehensive Annual Financial Report.



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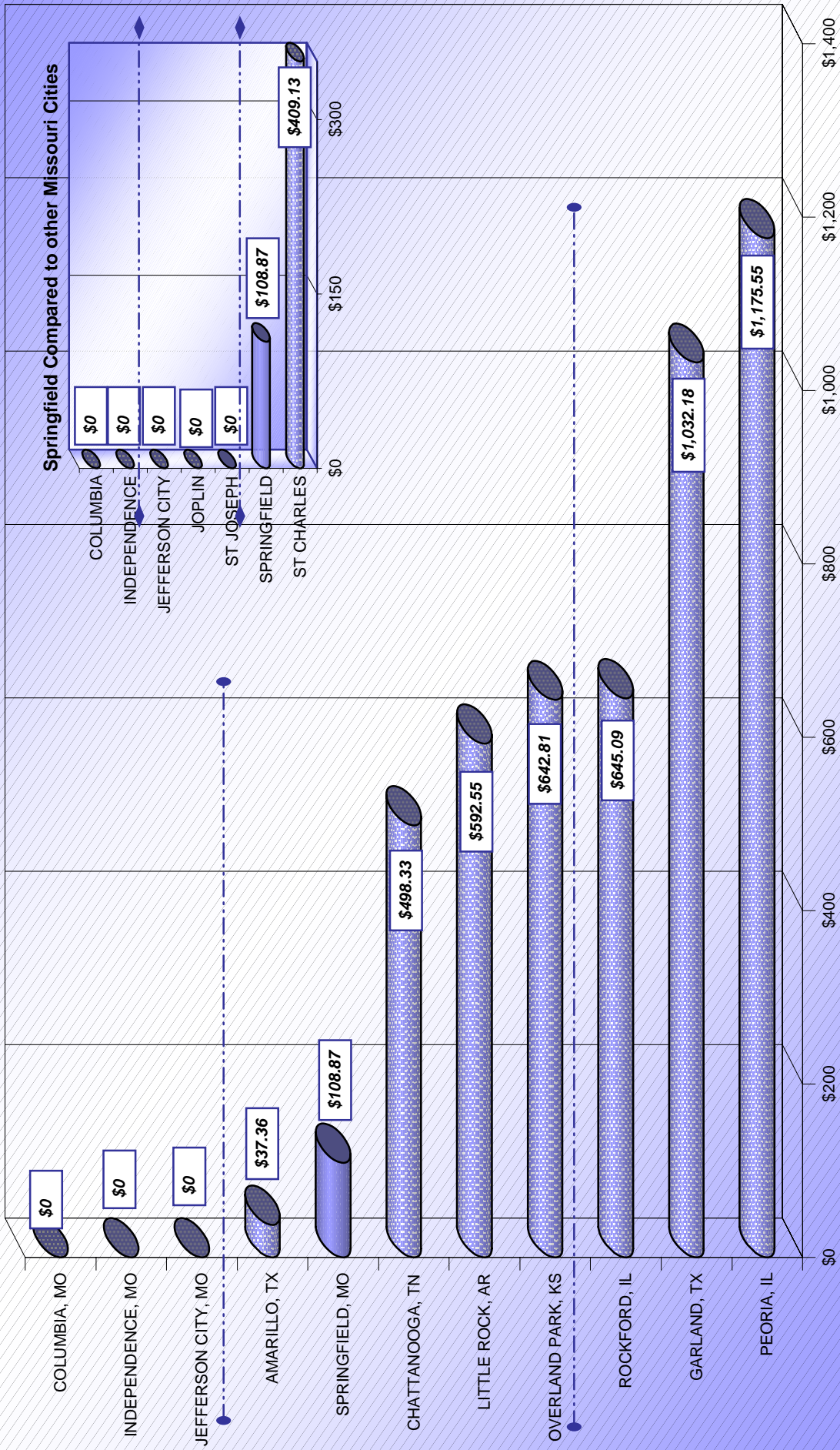
Net General Obligation Bonded Debt Per Capita

This measurement shows each city's Net G. O. Bonded Debt divided by that City's population.

City of Springfield, Missouri - 2007-2008 Annual Operating Budget

NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

Springfield Compared to other Cities



Source: Each city's 2005 or 2006 fiscal year Comprehensive Annual Financial Report.



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**DEPARTMENTAL SUMMARIES,
PRIORITIES,
ORGANIZATIONAL CHARTS
AND
MISSION STATEMENTS**



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